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Japan

Cabinet Level Talks With S. Korea End 27 Nov

OW2711042890 Tokyo KYODO in English 0312 GMT 27 Nov 90

[Text] Seoul, Nov 27 (KYODO)—Japanese and South Korean cabinet ministers ended two days of discussions on a wide range of political and economic affairs Tuesday, setting the stage for a visit by Japanese Prime Minister Toshiki Kaifu in early January, Japanese officials said.

Seven ministers from each country continued talks on bilateral economic cooperation in the Asia-Pacific region on the second day. Both sides agreed to jointly help Southeast Asian countries develop, and to establish a bilateral partnership in the international community, the officials said.

Japanese Foreign Minister Taro Nakayama, leader of the Japanese delegation, told the closing day session that Japanese-South Korean cooperation would be effective in helping developing countries overcome their economic difficulties.

South Korea called for Japan's help in making a success of two major international conferences planned in Seoul next year, the Asia-Pacific Economic Cooperation (APEC) forum and the U.N. Economic and Social Commission for Asia and the Pacific.

Cabinet ministers for foreign affairs, justice, finance, transport, agriculture, trade, and science from both countries attended the session, which opened on Monday. Vice ministers of economic planning were also present.

During the opening day session, South Korea urged Japan to be prudent in holding talks with North Korea toward establishment of diplomatic ties. Japan pledged to keep in close contact with Seoul as the talks proceed. Japan also promised to stop the mandatory fingerprinting of Korean residents if an alternative way of identification is developed, Japanese officials said.

Kaifu will visit January 9-11 for talks with president No Tae-u to cement bilateral ties, the officials said.

Ministers Vow To Strengthen Ties

OW2711064390 Tokyo KYODO in English 0503 GMT 27 Nov 90

[Text] Seoul, Nov 27 (KYODO)—Japanese and South Korean cabinet ministers agreed Tuesday to strengthen ties in order to help promote development of the Asia-Pacific region, Japanese officials said.

Seven ministers each from Japan and South Korea, ending a two-day session in Seoul, devoted their 90-minute, closing-day session to discussions on future relations between the two countries.

South Korea called for Japan's help in making a success of two major international conferences planned in Seoul next year, the Asia-Pacific Economic Cooperation (APEC) forum and the U.N. Economic and Social Commission for Asia and the Pacific, the officials said. South Korean ministers renewed Seoul's request for the transfer of Japanese high technology to South Korea, which they said is indispensable for the development of friendly relations between the two countries.

Korean Justice Minister Yi Chong-nam pointed to the hardships suffered by Korean residents in Japan since before World War II and renewed a call for them to receive better treatment, the officials said. Japanese Foreign Minister Taro Nakayama, leader of the Japanese delegation, promised Japan will make further efforts to improve the legal status of the country's estimated 680,000 Korean residents.

On Monday, Nakayama and Justice Minister Seiroku Kajiyama told the South Koreans that Japan will abolish mandatory fingerprinting of Korean residents after an alternative way of identification is developed. Kajiyama echoed Nakayama and told the second-day session that there has been major progress over the dispute on Japan's requirement that Korean residents be fingerprinted. Japan requires all foreign residents to be fingerprinted at the age of 16.

South Korean Foreign Minister Choe Ho Chung told the meeting that Seoul hopes for further development of the Asia Pacific region and of the Asia-Pacific Economic Cooperation (APEC) forum.

APEC groups the United States, Canada, Japan, South Korea, Australia, New Zealand, and six Southeast Asian countries to promote economic prosperity in the region.

Japan hopes the APEC forum will contribute to development of the world economy, the officials quoted Nakayama as saying.

The two-day talks involved cabinet ministers for foreign affairs, justice, finance, transport, agriculture, trade, and science from both countries. Vice ministers in charge of economic planning were also present.

During the opening-day session, South Korea urged Japan to be prudent in holding talks with North Korea toward establishment of diplomatic ties. Japan pledged to keep in close contact with Seoul as the talks proceed.

On Monday, Nakayama and six other ministers met President No Tae-u and told him that Prime Minister Toshiki Kaifu will visit South Korea January 9-11 to cement bilateral ties.

Official—'Grace Period' for Koreans 'Impossible'

OW2711101790 Tokyo KYODO in English 0854 GMT 27 Nov 90

[Text] Tokyo, Nov. 27 KYODO—Japanese Government officials appeared perplexed Tuesday by Seoul's request

for a "grace period" for first- and second-generation Korean residents of Japan during which they would not be fingerprinted until an alternative method of identification is developed.

On Monday, Japanese Foreign Minister Taro Nakayama and Justice Minister Seiroku Kajiyama told South Korean officials in Seoul that Japan would exempt the first- and second-generation Koreans from its requirement that all foreign residents be fingerprinted as soon as an alternative method of identification is developed. Seoul ministers at the multifaceted talks urged that, until such a method is developed, the first-and second-generation members of Japan's Korean minority be allowed a "grace period."

Prime Minister Toshiki Kaifu said Tuesday, "I would like a forward-looking resolution (to this matter), but we will have to talk to each other to understand where the problems are." Kaifu added that he hopes to get detailed briefings from the seven Japanese ministers who have just completed the two days of talks in Seoul.

About the "grace period," another government official in Tokyo said, "impossible. Can't be done. Because we've already extended our exemption (of the fingerprinting requirement) from the third- generation to include the first and second generation once an alternative method can be developed." Asked when that might be, the official replied, "The Justice Ministry is doing its best, but I don't know." The official denied that the government is planning to announce an exemption in connection with Kaifu's planned visit to Seoul in early January.

In April, the Japanese Government announced it would exempt third-generation Korean residents of Japan from the fingerprinting requirement for all foreign residents. At the time of the announcement, the exemption concerned only three infants—the children of second-generation Korean residents. The second-generation, by definition, was born on or after January 17, 1971. Since the April announcement, Seoul and Korean resident groups in Japan have called for the exemption to extend to the older Koreans as well.

Kaifu To Leave for Seoul 'January 9 or 10'

OW2211103990 Tokyo KYODO in English 1002 GMT 22 Nov 90

[Text] Tokyo, Nov. 22 KYODO—Japanese Prime Minister Toshiki Kaifu will leave January 9 or 10 for a three-day visit to South Korea for talks with President No Tae-u, government sources said Thursday.

Kaifu was earlier reported to depart on January 8.

In Seoul, Kaifu will brief No on Japan's position in talks with North Korea aimed at establishing diplomatic ties.

After returning home from South Korea, the prime minister will again leave on January 13 on a tour of the Philippines, Thailand, Malaysia, Singapore and Brunei, the sources said. He visited Indonesia earlier this year.

During talks with Southeast Asian leaders, Kaifu will explain Japan's role in international peacekeeping activities in the wake of the Persian Gulf crisis, the sources said.

No Tae-u Comments on Visit

OW2711114590 Tokyo KYODO in English 1107 GMT 27 Nov 90

[Text] Tokyo, Nov. 27 KYODO—South Korean President No Tae-u said in a message conveyed to Prime Minister Toshiki Kaifu that he is looking forward to the Japanese leader's visit to Seoul early next year, Foreign Ministry officials said Tuesday.

The officials, speaking on condition of anonymity, said that the message was conveyed to Kaifu by Foreign Minister Taro Nakayama.

Nakayama, who returned from Seoul earlier in the day, was reporting to Kaifu on the results of two days of talks he and six other ministers held with their South Korean counterparts.

No was quoted as saying he wants to promote top-level exchanges between the two countries. Kaifu is to visit Seoul on January 9-11.

U.S. Navy Urged Not To Send Japanese to Gulf

OW2611151890 Tokyo KYODO in English 1440 GMT 26 Nov 90

[Text] Yokosuka, Kanagawa Pref., Nov. 26 KYODO—Kanagawa Prefecture, which hosts the U.S. Navy base at Yokosuka, urged local U.S naval authorities on Monday not to send Japanese employees to the Persian Gulf in support of U.S.-led multinational forces being deployed against Iraq.

The plea, made in the name of Kanagawa Governor Kazuji Nagasu, was also made in writing to the Defense Facilities Administration Agency, which is in charge of employing Japanese staff at the U.S. military base.

Upon receiving notice from the Defense Facilities Administration Agency, the prefectural government must provide necessary travel expenses for Japanese employees if the United States issues permission for them to travel for educational purposes, to attend conferences, for training or research.

The prefecture called for immediate talks with Navy authorities on the matter, stressing that Japanese base employees are in principle meant to serve within Japanese territory.

The U.S. Navy on Monday said its plan to send Japanese employees to the Gulf region has not been finalized, according to prefectural sources. But the U.S. Navy did not specify how many Japanese are being considered for

assignments in the Gulf or the duration of their duty. It is believed, however, that Japanese might go to Bahrain to help estimate repair costs for ships in the U.S. Seventh Fleet.

Japanese employees at the U.S. Naval Base in Yokosuka, southwest of Tokyo, were reportedly asked last week to go to the Persian Gulf to advise U.S. repairmen on daily maintenance and repair of vessels sent from the base. Sources said that some Japanese employees in the electronics section at the base were asked to go to Bahrain to repair Yokosuka-based vessels because of their first-hand knowledge of the ships.

Legal Action Called For on U.S. Military Leases

OW2711064490 Tokyo KYODO in English 0554 GMT 27 Nov 90

[Text] Naha, Nov 27 (KYODO)—Defense officials in Okinawa Prefecture called for legal action Tuesday to force local landowners to renew leases on land used for bases by the U.S. military.

The Naha Defense Facilities Administration Bureau called on the Okinawa Prefectural Expropriation Commission to take legal action to require 461 local landowners to extend leases on a total of 149,000 square meters of land. The land forms part of the U.S. Kadena Air Base, the U.S. Marine Corps Futenma Base, and military facilities at Naha Port. The present leases are due to expire May 15, 1992, which is also the 20th anniversary of the reversion of Okinawa to Japan.

The Defense Bureau asked the prefectural panel to order the landowners to extend their contracts for 10 more years, for which they would receive payments totaling 1.3 billion yen. The bureau has been negotiating with some 28,000 landowners to extend leases since last fall.

Under bilateral security arrangements, land must be provided for bases for some 50,000 U.S. troops stationed in Japan. Of the total U.S. military personnel, 35,000 are in Okinawa, Japan's southernmost prefecture. About 20 percent of Okinawa's main island is occupied by U.S. and Japanese military facilities.

A total of 290 local landowners filed a suit with the Naha District Court last week demanding the return of land leased to U.S. Forces.

Government 'Not Involved' in Upcoming Iraqi Visit

OW2711095390 Tokyo KYODO in English 0938 GMT 27 Nov 90

[Text] Tokyo, Nov. 27 KYODO—The Japanese Government is "not involved" in the upcoming visit here by a delegation of Iraqi parliamentarians who have been invited by members of the ruling Liberal Democratic Party (LDP), a Foreign Ministry spokesman said Tuesday. "We are not involved in that venture," said spokesman Taizo Watanabe in a meeting with foreign correspondents. "That is something ...(which) has nothing to do with the government and government policy."

Watanabe was commenting on reports that a delegation of parliamentarians from Iraq's ruling Ba'th Party will be coming to Japan in mid-December at the invitation of a group of LDP parliamentarians who recently visited Iraq. Asked if there will be any meetings arranged with Japanese Government officials, Watanabe said, "I don't think that we are anticipating that possibility." "I don't think our position is favorable," he said.

Watanabe said the delegation's visit will fall outside the context of the agreement between Prime Minister Toshiki Kaifu and Iraqi First Deputy Prime Minister Taha Yasin Ramadan reached last October in Amman to continue a dialogue between the two governments.

USSR Seizes Fishing Boat Off Hokkaido

OW2211090990 Tokyo KYODO in English 0740 GMT 22 Nov 90

[Text] Nemuro, Hokkaido, Nov. 22 KYODO—Soviet authorities have seized a Japanese fishing boat with a crew of 14 for allegedly operating within the 200-mile Soviet economic zone off Hokkaido, local maritime safety officials said Thursday.

Skipper Ken Yamada and the crew of the 303-ton No. 33 Horai Maru are probably now being questioned on such charges in the Soviet-held Shikotan Island by Soviet officials, the officials said.

The boat lost contact with its owner, Horai Sangyo Co. in Nemuro, after radioing around 9:30 a.m. Monday that it was heading for Anama in Shikotan Island.

The officials said the Soviets seized the Horai Maru and its crew Monday when they were catching cuttlefish in waters some 260 kilometers southeast of Cape Nosappu near Nemuro and took them to Shikotan, one of four islands located just east of Hokkaido and held by the Soviets since the end of World War II.

Japanese-Soviet Company Head Accused of Poaching

OW2611043090 Tokyo KYODO in English 0411 GMT 26 Nov 90

[Text] Kushiro, Hokkaido, Nov. 26 KYODO—Prosecutors demanded six months' imprisonment Monday for the president of a joint Japan-Soviet fishery company for allegedly poaching crabs off a Soviet-held island.

Prosecutors said Tadaichi Shiiku, president of Utari Kyodo, a fishery firm in Shibetsu, Hokkaido, and two other accused caught six tons of crabs off Soviet-held Shikotan Island without the permission of the Hokkaido governor from October to November last year.

Shikotan Island is among four Soviet-held islands forming the so-called "northern territories" off Hokkaido. Japan is demanding the return of the islands which the Soviet Union occupied at the end of World War II.

Utari Kyodo set up "Aniwa," a joint venture with the Soviet Union in May last year and signed an agreement enabling Utari to import crabs from the Soviet Union in return for cooperation for its trout farming on the Soviet Far East island of Sakhalin.

Prosecutors said it is obvious that Shiiku set up the joint venture to poach crabs. Defense lawyers have insisted that fishing by the accused was carried out in accord with instructions from Soviet supervisors on board a fishing boat and that domestic Japanese laws do not apply to fishing mainly operated by Soviet citizens in the vicinity of the northern territories. Prosecutors will demand penalties Monday afternoon for the two other accused, Kesatsugu Kajihara, an inspector with Utari, and Masaru Otomo, the skipper of a fishing boat chartered by the company.

Narita Activists Resist Attempt To Demolish Hut

OW2711044890 Tokyo KYODO in English 0236 GMT 27 Nov 90

[Text] Narita, Nov 27 (KYODO)—Activists opposed to the expansion of Narita Airport used gasoline bombs and homemade flamethrowers Tuesday to fight off demolition workers and riot police seeking to evict them from a hut near the airport.

One of the activists was taken to hospital after falling off the roof of the four-story hut, and police said at least four others were barricaded inside.

The clash began when a group of 250 workers from the Airport Authority and the Transport Ministry arrived to demolish the hut, backed up by 5,000 riot police. The activists, members of the Battle Flag Faction of the Communist League (Senki-Kyosando) refused to leave the hut, built as part of their campaign to block expansion of the airport. The hut, with a total floor space of 265 square meters, is a symbol of the group's support for farmers opposed to the airport expansion project, is located some two kilometers east of the airport passenger terminal building. The authorities banned the use of it in August last year based on a specially drafted law on the security of the airport, but the leftist radicals defied the order.

Tuesday's attempt is the seventh such operation since November 1987 in which the authorities have sent demolition workers backed by riot police to remove huts built by activists.

Narita Airport, which opened in May 1978, has only a single 4,000-meter runway. The Transport Ministry plans to build two more runways of 2,500 meters and 3,000 meters to cope with growing use of the airport.

Emperor Visits Ise Shrine To Report Enthronement

OW2711074190 Tokyo KYODO in English 0442 GMT 27 Nov 90

[Text] Ise, Nov 27 (KYODO)—Emperor Akihito, accompanied by Empress Michiko, visited the ancient Ise Shrine in central Japan on Tuesday to report to the deities his succession to the throne, the Imperial Household Agency said.

The emperor, who proclaimed the enthronement on November 12 in a gala ceremony in the Imperial Palace in Tokyo, arrived here on Monday for another series of official rites at the Outer and Inner Shinto Shrines at Ise. Tuesday's visit was paid to the Outer Shrine, where deities representing rice, other crops, and food are enshrined.

The imperial couple, clad in traditional court costumes, traveled in separate horse-drawn carriages to the shrine. The coach the emperor took was the one used in the couple's 1959 wedding parade in Tokyo, the agency said.

Prince Akishino, the second in line to the throne after his elder brother Crown Prince Naruhito, his wife Princess Kiko, and Prince Takamado and his wife princess Hisako also took part in the Ise visit.

The emperor and empress will on Wednesday visit the Inner Shrine, where the imperial family's ancestral deities, including the legendary originator of the imperial line Amaterasu-Omikami, or Goddess of the Sun, are enshrined, agency officials said.

Mie prefectural police surrounded the shrine with some 4,500 police personnel for the imperial visit, which lasted about one hour. Members of the public were not allowed in the shrine during the imperial visit.

Ise shrine, now covering about 5,600 hectares of land, was first erected about 2,000 years ago, according to ancient documents. Between 19th century Meiji era and the end of World War II, the shrine served as the central religious body under the government's policy of promoting Shintoism as the state religion that hailed the emperor as a "living god." After the war, it was registered as a private religious facility and the imperial family members make it a rule to visit the shrine on the occasion of marriage and other family ceremonies or before trips abroad. The Yata-No-Kagami ancient mirror, one of three imperial treasures symbolizing the emperor's power, is enshrined in the Inner Shrine.

The emperor brought to Ise on this occasion the other two treasures—the Ken (sword) and Magatama (jewel stone)—for the first time since 1974, when his father, the late Emperor Hirohito, brought them here, the agency said.

Komeito Opens Two-Day Party Convention

OW2711043390 Tokyo KYODO in English 0221 GMT 27 Nov 90

[Text] Tokyo, Nov 27 (KYODO)—Komeito Chairman Koshiro Ishida said on Tuesday that Japan's second largest opposition party will make every effort to set up a Japanese system to cooperate with United Nations peacekeeping operations. He made the remark in his opening speech at the party's two-day national convention in the Kudan Hall in central Tokyo.

Ishida said, "Japan should help the U.N. strengthen its activities for peace and security in the world." He said the deliberations of the extraordinary Diet session that ended on November 10 have verified Japan would have to make its contribution to the United Nations in not only "finance and goods" but also "personnel." But he said Japan should make its contribution to U.N. peacekeeping operations only in nonmilitary areas.

His remark followed an agreement among Komeito, the ruling Liberal Democratic Party (LDP), and the Democratic Socialist Party (DSP) on November 9. They agreed to set up a corps to assist U.N. peacekeeping operations within the framework of Japan's pacifist Constitution. The latest extraordinary Diet session discarded the government's proposed U.N. peacekeeping cooperation bill that would have allowed Self-Defense Forces (SDF) personnel to participate in U.N. peacekeeping operations.

Ishida said Komeito has made a proposal to set up a fund to step up U.N. activities in helping people suffering from poverty, human rights' abuses, and disaster. Ishida touched on Japan-Soviet relations, saying Komeito will propose a new forum among Japan's political parties to make adequate preparations on the territorial issue of four Soviet-held islands before Soviet President Mikhail Gorbachev visits Japan in April. The four islands, Kunashiri, Etorofu, Habomais, and Shikotan, are claimed by Japan as its inherent territories, but have been held by the Soviet Union since the closing days of World War II.

Turning to domestic issues, Ishida reiterated Komeito's opposition to the 3 percent consumption tax introduced by the government in April last year. Ishida urged the government to take transitional tax measures before setting up a new tax system.

Komeito will discuss its new political platform at the convention, said political sources. The party is seeking cooperation with the LDP instead of two opposition parties—the DSP and the Japan Socialist Party.

Banks To Join Syndicate Extending Loans to PRC

OW2611023390 Tokyo KYODO in English 0215 GMT 26 Nov 90

[Text] Tokyo, Nov. 26 KYODO—Eight Japanese commercial banks are likely to join an international syndicate to extend 800 million dollars in loans to China, banking sources said Monday.

The syndicate will comprise more than 10 Japanese, British, and French banks, the sources said, adding that a formal signing will take place by the end of the year.

Dai-Ichi Kangyo Bank, Mitsubishi Bank, and the Long-Term Credit Bank of Japan have decided to participate in the syndicate. In addition, Mitsui Taiyo Kobe Bank, Fuji Bank, Sanwa Bank, Sumitomo Bank, and the Industrial Bank of Japan are likely to participate in the syndidate, the sources said.

The syndicated loan is the largest to be given to China by western commercial banks since the crackdown on pro-democracy demonstrators in Tiananmen Square in June 1989.

The credit extension follows the Japanese Government's recent unfreezing of third low-interest yen loans to China, and is expected to expedite private banks' financial support for the Chinese.

The 800 million dollar credit will be used to finance construction of the Shenzhen-Guangzhou section of a 300-kilometer expressway between Hong Kong and Guangzhou, Guangdong Province, the sources said.

The construction project was decided upon by the provincial government five years ago as a means to improve the infrastructure of the regional economy in consideration of the scheduled return of the British crown colony to China in 1997.

Business Delegation Departs for U.S. 26 Nov

OW2611124790 Tokyo KYODO in English 1231 GMT 26 Nov 90

[Text] Tokyo, Nov. 26 KYODO—A mission of the Japan Chamber of Commerce and Industry, led by chamber President Rokuro Ishikawa, left here for Los Angeles Monday evening to begin a tour of the United States and exchange views with U.S. Government and business leaders on Japan-U.S. economic relations.

The group of some 100 business executives is scheduled to return home December 9.

Mission Arrives in Los Angeles

OW2711052590 Tokyo KYODO in English 0344 GMT 27 Nov 90

[Text] Los Angeles, Nov 26 (KYODO)—A delegation of the Japan Chamber of Commerce and industry arrived in Los Angeles on Monday on a mission to help forge

closer ties and improve relations between the United States and Japan, delegation sources said.

Kiyohiko Arafune, Japan's consul general in Los Angeles, will brief the delegation on problems posing a threat to U.S.-Japan relations. The delegation will meet leaders of the organization's Los Angeles chapter on Tuesday.

The 96-member delegation, led by Chairman Rokuro Ishikawa, is the largest ever the business group has sent to the U.S.

The economic mission will also visit Chicago, New York, Washington, and Atlanta. They are expected to meet local governors and mayors as well as executives of the local chapters. The delegation is also expected to meet with U.S. Vice President Dan Quayle.

Some members of the delegation are to meet representatives of the National Association for the Advancement of Colored People (NAACP) on December 4 to gain a greater understanding of racial discrimination.

Persistent resentment in the U.S. over Japanese Justice Minister Seiroku Kajiyama's discriminatory remarks regarding U.S. blacks has worsened U.S.-Japan relations in recent months.

Ishikawa is expected to explain to the NAACP the efforts of Japan's business community to tackle the problem of racial discrimination, the sources said.

The community's creation of the Council for Better Corporate Citizenship, headed by Sony Chairman Akio Morita, is one example of its desire to eliminate racial discrimination, according to the sources.

Group To View Racial Discrimination

OW2211133790 Tokyo KYODO in English 1255 GMT 22 Nov 90

[Text] Tokyo, Nov. 22 KYODO—Racial discrimination is one of the major topics of discussion by an economic mission from the Japan Chamber of Commerce and Industry visiting the United States and Canada from next Monday, a source at the organization said Thursday.

The 96-member mission to be led by the organization's Chairman Rokuro Ishikawa will initially visit Los Angeles, New York, and Washington, where they expect to meet with U.S. Vice President Dan Quayle.

Among other political and economic leaders they expect to meet in the U.S. are representatives of a black group calling for an improvement in the social status of blacks.

The source said that Japanese Ambassador to the U.S. Ryohei Murata had strongly suggested the mission hold a meeting with black representatives. The ambassador is specially concerned about the persistent resentment in the U.S. regarding discriminatory remarks made by Japanese Justice Minister Seiroku Kajiyama, the source said.

Ishikawa has said he is taking the issue seriously. He will meet many Japanese living in both countries on the tour and will call on them to pay special attention to the matter, especially in hiring and promoting black people in their companies, the source added.

The mission will return home on December 19.

LDP To Send Two Members to GATT Talks

OW2711064690 Tokyo KYODO in English 0543 GMT 27 Nov 90

[Text] Tokyo, Nov 27 (KYODO)—The ruling Liberal Democratic Party (LDP) will send former Agriculture Minister Tsutomu Hata and LDP agriculture adviser Koichi Kato as observers to the ministerial meeting of the General Agreement on Tariffs and Trade (GATT) in early December in Brussels, an LDP source said Tuesday.

Kato, an adviser to the Research Commission on Comprehensive Agriculture, is a former state minister for defense.

A timetable for their departure has not been set since Hata is currently working on a political reform plan being drawn up by the party's Electoral System Research Committee, which he heads.

By dispatching the two party members, the LDP hopes to gain a firm grasp of the situation at the GATT meeting, which is scheduled to wind up the four-year Uruguay Round of multilateral trade talks, the source said. This will help the party exercise political judgment on the nation's rice policy, in case the issue arises during the GATT meeting, the source said. The LDP is also considering the dispatch of a large number of Diet members, in addition to Hata and Kato, to the meeting, the source said.

LDP To Explain Rice Policy to Other Countries

OW2711050590 Tokyo NHK General Television Network in Japanese 0300 GMT 27 Nov 90

[Text] The government formally decided at a cabinet meeting this morning to send three cabinet members to a ministerial meeting of the GATT Uruguay Round, which is opening in Brussels, Belgium on December 3. The three members are: Foreign Minister Taro Nakayama, Minister of International Trade and Industry Kabun Muto, and Minister of Agriculture, Forestry and Fisheries Tomio Yamamoto.

Meanwhile, the ruling Liberal Democratic Party [LDP] held a joint meeting of its Committees on Agriculture and Forestry this morning to exchange views on the rice market liberalization issue. As a result, it decided to send LDP missions to countries around December 3, when a

GATT Uruguay Round ministerial meeting is scheduled to open, to seek their understanding of Japan's position not to comply with the proposed liberalization of the rice market.

Matsushita Signs Contract To Buy MCA

OW2611181190 Tokyo KYODO in English 1434 GMT 26 Nov 90

[Text] Tokyo, Nov. 26 KYODO—Matsushita Electric Industrial Co. announced late Monday that it has signed a contract to buy U.S. entertainment conglomerate MCA Inc. for some 6.1 billion dollars.

If completed, the buy-out would mark the largest Japanese acquisition to date of a foreign-owned company. Sony Corp. purchased Columbia Pictures Entertainment for 5 billion dollars last year.

Under the agreement, Matsushita, Japan's consumer electronics giant, will launch its bid to purchase MCA's 92.8 million outstanding common shares for 66 dollars a share by November 30, Matsushita officials said. MCA closed on the New York Stock Exchange at 63.375 dollars per share Friday.

The officials said Matsushita will finance the buy-out by raising funds through offering new equity via its U.S. finance subsidiary. Matsushita hopes the move will help it avoid depleting the firm's 1.3 trillion yen cash reserve. The transaction will require a spin-off of MCA's broadcast properties because U.S. law prohibits foreign ownership of a domestic television broadcasting license, a factor which some analysts thought might torpedo the deal.

The acquisition will give Matsushita a strong footfold in the software market, allowing it to release old movies and television shows in MCA's library in the format of videotape recorders it produces.

MCA, based in Universal City, California, is the parent of Universal Studios and produces films and TV shows in addition to having interests in publishing, recording and theme parks. It reported sales of some 3,382 million dollars last year, of which roughly 70 percent came from music-movie businesses.

Philippines To Receive Aid for Typhoon Relief

OW2711031190 Tokyo KYODO in English 0125 GMT 27 Nov 90

[Text] Tokyo, Nov 27 (KYODO)—Japan will provide the Philippines with 400,000 dollars in emergency aid to help restoration works in typhoon-stricken areas in the country, Chief Cabinet Secretary Misoji Sakamoto said Tuesday.

Typhoon Mike lashed Cebu Island, south of the main island of Luzon, in mid-November. It reportedly left 532 people either dead or missing, and some 310,000 houses collapsed.

World Economy Report Predicts Slower Growth

OW2711031090 Tokyo KYODO in English 0124 GMT 27 Nov 90

[Text] Tokyo, Nov 27 (KYODO)—World economic growth will slow in the years ahead, hurting developing countries already struggling under massive debts, and threatening economic reform efforts in the Soviet Union and Eastern Europe, according to a government report on the world economy released Tuesday.

The slowdown could worsen the economic slowdown in the United States just starting, and cause a sharp contraction in international demand eventually harming such robust but trade-dependent economies as Japan's, it warned.

The severity of the slowdown could be magnified by either the outbreak of war in the Persian Gulf, if that led to large-scale destruction of oil pumping facilities in the region, or by failure to successfully conclude the so-called Uruguay Round of multilateral trade talks, as that could give rise to trade protectionism.

Highlighting the pivotal role played by trade and direct foreign investment in fueling world economic growth, the report by the Economic Planning Agency (EPA) noted how greatly both have increased over the past decade. In 1989 international trade increased 7.3 percent to 2.91 trillion U.S. dollars, the report noted citing International Monetary Fund (IMF) data. That was twice the growth rate of the world economy, which in 1989 expanded by 3.0 percent to 20.77 trillion U.S. dollars. Even greater was the growth in direct foreign investment worldwide, which in the 1983-1988 period increased 3.5 fold. Direct foreign investment contributed greatly to economic growth in countries receiving much of that inflow, especially Britain, the United States, and the members of Association of Southeast Asian Nations (ASEAN). But an international economic slowdown is already underway, according to the EPA. Growth of the world economy slowed from 4.1 percent in 1988, to 3.0 percent in 1989, and is predicted to slow further to 2.0 percent in 1990, the 507-page EPA report said citing IMF figures.

The slowdown could be worsened by the Persian Gulf crisis, which caused international oil prices to more than double to a high of 40 U.S. dollars a barrel in late September, in anticipation of damage to Mideast oilfields. Wealthier, advanced nations will be better able to adjust to the oil price hike, as they have massive oil stockpiles, and technological resources to cushion the impact. Developing nations, however, will be severely affected, as their demand for oil has increased. Many are staggering under tremendous foreign debt, the interest rates on which have been raised by creditor nations in anticipation of inflation rising in the aftermath of the oil price hikes.

The EPA report focused special attention on how the slowdown may affect Europe. The greatest danger comes

from the threat posed to the jobs of tens of millions of Eastern European and Soviet workers suddenly exposed, by their countries' rush to embrace Capitalism, to competition with modern Western industry.

The EPA reported that in former East Germany, industrial production was down 42 percent in July from a year earlier, and bankruptcies and unemployment surged, in advance of the October reunification with West Germany. The German case also highlights the strain the massive costs of modernizing the former Soviet-bloc economies is going to put on international capital markets and rates. Former West Germany's trade surplus shrank to 7.3 billion marks in August from 8.7 billion marks in June as the costs of financing reunification mounted, causing German interest rates to rise to as high as 9 percent from the 7 percent level last March.

In the Soviet Union, the EPA painted a statistical picture of the economy going from bad to worse. Industrial production rose only 1.7 percent in 1989, a year in which the country ran up a 92 billion ruble deficit, equivalent to 10 percent of its Gross National Product (GNP). Over the first nine months of this year, industrial production declined 0.9 percent.

The EPA noted that similar circumstances prevail in other Eastern European countries, which face tremendous economic difficulties and political instability.

Noting that conditions are rife for retrogressive elements to try seizing power, it warned this could spoil "the end of the cold war" peace, and thus Western nations should assist these sickly economies.

Moves toward meeting the 1992 deadline for creating a unified market among the 12 member nations of the European Community (EC) appear to be on track, the report noted, suggesting the process could lead to closer cooperation with Eastern Europe, and stepped up assistance.

Six recommendations were put forth in the EPA report for promoting future world economic growth. Paramount is the need to successfully conclude the Uruguay Round of multilateral trade talks under the auspices of the Geneva-based General Agreement on Tariffs and Trade (GATT).

The talks, due to conclude in early December after four years of negotiations, are an ambitious attempt to draft new, more liberalized rules governing cross border trade in all manner of goods and services. But the talks are stalled over major differences in several key areas, particularly trade in agricultural products and services.

Secondly, the EPA encouraged nations to adopt a longer-term perspective in charting their monetary policies to carefully avoid inflation, instead of adopting the policies to shifting, short-term circumstances.

Thirdly, it recommended such nations as the United States to rein in their fiscal deficits, to reduce their demand for borrowed funds needed urgently to finance development elsewhere, particularly in Eastern Europe and the Soviet Union. The report also urged nations take action to impose greater respect for financial principles within their capital markets. The volatility of stock markets and the disarray in the U.S. real estate market could be corrected by imposing greater discipline on financial institutions, it said. Urgent steps are also necessary to encourage the development of alternative energy sources to oil, and to foster energy conservation, in view of the threat posed to the world environment by the so-called "Greenhouse Effect," the EPA warned.

Lastly, the report urged the Persian Gulf crisis be viewed as "the most urgent issue to be solved," as the threat of conflict is affecting not only oil prices, but international interest rates, stock markets, and the overall global investment climate.

Analyzes Rising Interest Rates

OW2711103090 Tokyo KYODO in English 0906 GMT 27 Nov 90

[Text] Tokyo, Nov. 27 KYODO—The United States and other cash-strapped nations should reduce their budget deficits through increased domestic savings to prevent global interest rates from rising further, according to a Japanese Government report released Tuesday.

The report, compiled by the Economic Planning Agency (EPA), said that the likely expansion in Germany's budget deficit, booming investment in Eastern Europe, and a dramatic increase in Japan's public works spending will cause a massive fund shortage and force up interest rates worldwide unless the U.S. substantially cuts its budget deficits.

The possible uptrend in rates could be staved off by increased savings in Japan, but this could worsen the current account imbalance between Japan and the rest of the world and is not a desirable option, it said.

The report estimated the developed nations will produce a total of 3,887.5 billion dollars in private-sector savings over the next five years, but 92 percent of the total, or 3,578.6 billion dollars, will be absorbed by private-sector investment.

A major portion of the investment will flow into Eastern Europe, with investment demand in the former East Germany and other East European nations expected to come to 207.6 billion dollars and 512.2 billion dollars, respectively, during the 1991-1995 period, the report said. In addition, it said, if Japan substantially boosts its public works spending, as it pledged at the Structural Impediments Initiative (SII) talks, it could sap another 180 billion dollars in funds. As a result, global savings will be outstripped by investment and put upward pressure on interest rates, the report said.

North Korea

Further Reportage on Yon Hyong-muk China Visit

Meets President Yang Shangkun

SK2411110190 Pyongyang KCNA in English 1030 GMT 24 Nov 90

[Text] Beijing November 24 (KCNA)—The Sino-Korean relations are not ordinary ones but fraternal relations, said President of the People's Republic of China Yang Shangkun when he met DPRK Premier Yon Hyong-muk on an official goodwill visit to China at the Great Hall of the People in Beijing today.

He said the leaders of the two countries have often met with each other and visits of delegations have increased.

Visits Beijing Factories

SK2511082790 Pyongyang KCNA in English 0814 GMT 25 Nov 90

[Text] Beijing November 24 (KCNA)—Yon Hyong-muk, premier of the Administration Council of the DPRK, and his party on an official goodwill visit to China visited the Beijing No. 1 Machine Tool Factory Saturday.

They were accompanied by Qi Yuanjing, minster of metallurgical industry of China, and Zheng Yi, Chinese ambassador to Korea.

They were greeted at the factory by secretary of the party, vice-director, and other leading officials of it.

After being briefed on the history of the factory by the vice- director, Premier Yon Hyong-muk went round various production processes. He congratulated the workers of the factory on their success in realizing modernization and wished them new, greater achievements in their efforts to fulfil the decisions of the 13th congress of the Communist Party of China.

On the same day, the premier and his party saw round the colour T.V. Braun Tube Company, Ltd. in Beijing.

Predicts 'Diverse Exchanges'

SK2411131890 Seoul YONHAP in English 1249 GMT 24 Nov 90

[Text] Tokyo, Nov. 24 (YONHAP)—North Korean Prime Minister Yon Hyong-muk visited a Japan-China joint venture factory in Beijing Saturday and voiced hope for diverse economic exchanges between Japan and his country, a KYODO news service dispatch from Beijing reported.

"When North Korea and Japan normalize relations, diverse exchanges will come in the economic sector," Yon was quoted as saying during his tour of Beijing-Matsushita factory manufacturing color T.V. tubes.

He was the first North Korean official of his rank to visit a Japanese-related company in China.

During his talks with Chinese Prime Minister Li Peng on Friday, Yon frankly admitted that his country was faced with economic difficulties, KYODO reported, and hinted at following the Chinese example of economic reform and at promoting economic cooperation with Japan and other capitalist nations.

Yon is to return home on Tuesday.

Tours Xingang Port in Tianjin

SK2711043290 Pyongyang Domestic Service in Korean 1200 GMT 25 Nov 90

[Text] Comrade Yon Hyong-muk, premier of the Administration Council of our country, and his entourage, who are paying an official goodwill visit to China, today toured Xingang Port in Tianjin.

Qi Yuanjing, minister of Metallurgical Industry of China; Zheng Yi, ambassador of the PRC to our country; and responsible functionaries of Tianjin Municipality, accompanied the premier and his entourage.

The responsible functionaries in Xingang Port greeted the delegation.

After hearing the explanation on Xingang Port from the director of the port administration office, Premier Yon Hyong-muk toured the loading wharf and the grain wharf.

Mentioning the excellent completion of Xingang Port, he congratulated the workers and technicians of the port for the successes in their labor struggle. He wished them greater success in their future efforts.

The premier of the Administration Council and his entourage also toured the second Tianjin shoe factory and a spinning plant.

Arrives in Guangzhou

SK2711060490 Pyongyang Domestic Service in Korean 1200 GMT 26 Nov 90

[Text] Comrade Yon Hyong-muk, premier of our country, and his entourage whis is paying an official goodwill visit to China, yesterday arrived in Guangzhou by airplane.

Qi Yuangjing, minister of the metallurgical industry of China and Zheng Yi, ambassador from the PRC to our country, accompanied the premier and his entourage.

At the airport, the premier and his entourage were greeted by Kuang Ji, vice governor of the Guangdong Provincial People's Government, (Xu Gaoxiu), vice mayor of the Guangzhou City People's Government, and other key officials of the province and city.

Earlier, the premier and his entourage had departed from Tianjin on their way to Guangzhou.

At the airport, Nie Bichu, mayor of the Tianjin City People's Government, and other key officials of the city, bid farewell to the premier and his entourage.

Meets Jiang Zemin

SK2711012490 Pyongyang Domestic Service in Korean 2100 GMT 26 Nov 90

[Text] Comrade Jiang Zemin, general secretary of the CPC Central Committee, on 26 November met Comrade Yon Hyong-muk, premier of the DPRK State Administration Council, who is on an official goodwill visit to China.

At the meeting, the premier conveyed warm greetings from the great leader Comrade Kim Il-song and the dear Comrade Kim Chong-il to the respected Comrade Jiang Zemin and Comrade Deng Xiaoping. Comrade Jiang Zemin expressed deep gratitude for this and requested the premier to convey warm greetings of his own and of Comrade Deng Xiaoping to the great leader Comrade Kim Il-song and the dear Comrade Kim Chong-il.

Comrade Jiang Zemin, touching on the friendly relations between China and Korea, said that the relations between our two countries are more than ordinary ones, and stressed that the Chinese people treasure the friendship between China and Korea which is sealed in blood. Referring to the mutual visits by the high-level guiding cadres of the two countries this year, he noted that this shows that the relations between the two countries are developing well. He said that the Chinese people are deeply interested in the security of the Korean Peninsula and expressed his hope that the North-South high-level talks will succeed.

The conversation proceeded in a friendly atmosphere. Also present at the meeting were the premier's entourage; Qi Yuanjing, minister of the Metallurgical Industry of China; Ye Xuanping, governor, and Kuang Ji, vice governor, of the Guangdong Provincial People's Government; and Zheng Yi, PRC ambassador extraordinary and plenipotentiary to our country.

After the conversation, Comrade Jiang Zemin arranged a luncheon for the premier of the State Administration Council of our country.

U.S. Soldiers Injure Striking Workers in South

SK2511083490 Pyongyang KCNA in English 0816 GMT 25 Nov 90

[Text] Pyongyang November 25 (KCNA)—Soldiers of the U.S. imperialist aggression army committed the brutal act of driving a tank and armoured cars toward South Korean workers who were on an all-night sit-in strike in demand of wage hike, inflicting heavy wounds on them, according to a report.

Ten odd workers including Choe Hye-kun, trade union leader of the Sinwon Company, went on an all-night sit-down for wage increase after pitching a vinyl tent in front of the back-gate of the artillery command of the Second Division of the U.S. imperialist aggression army entrenched in Uijongbu City, Kyonggi Province. At around 5 A.M. on the 20th the blood-thirsty U.S. soldiers drove a tank and three armoured cars over the tent, seriously wounding two workers.

At around 4:30 P.M. on the 19th, ten odd MPs of the U.S. Army there assaulted with clubs workers and their families on sit-down strike demanding wage-hike at the front gate of the artillery command, wounding over ten people.

This shows that the U.S. imperialist aggressors are brutal murderers.

Papers Criticize U.S. 'Brutality'

SK2711052490 Pyongyang KCNA in English 0438 GMT 27 Nov 90

[Text] Pyongyang November 27 (KCNA)—NODONG SINMUN and MINJU CHOSON today denounce the brutal act of the U.S. imperialist aggression army entrenched in Uijongbu City, South Korea, in driving a tank and armoured cars toward South Korean workers who were on an all-night sit-down strike in demand of wage hike, inflicting heavy wounds on them.

Hearing the news, our people are shaking with national indignation, the news analyst of NODONG SINMUN says, and goes on:

The incident clearly shows once again that the U.S. imperialist aggression army soldiers accustomed to murder and pillage regard the people as an object of slaughter, behaving like the master in other's land. It is unthinkable apart from the mean spirit of flunkeyist treachery of the South Korean puppets that the U.S. imperialist aggression troops behave arbitrarily, throwing their weight about in South Korea, as if it were their own land.

The South Korean people will never tolerate the U.S. imperialists' brutal atrocities and will make the mean flunkeyist traitors also pay dearly.

The news analyst of MINJU CHOSON says:

The brutality committed by the U.S. imperialist aggression army in Uijongbu City is an extension of the atrocities that have never ceased in South Korea for nearly half a century. It shows that the South Korean people cannot live in peace as long as South Korea remains under the U.S. imperialists' occupation and such flunkeyist traitors as the No Tae-u group stay in power.

U.S. Troop Reduction Termed 'Sinister Trick'

SK2511085090 Pyongyang KCNA in English 0820 GMT 25 Nov 90

[Text] Pyongyang November 25 (KCNA)—NODONG SINMUN today in a commentary terms US troop "cutback" a sinister trick to mislead the home and foreign public opinion demanding their pullout of South Korea and realize the modernization of the forces and their permanent presence there.

Recalling that the US imperialists prattled they would keep their forces in South Korea as a "deterrent" "as long as they wish" and even in case they "reduce" their strength they would do on a phased basis, scrupulously studying the situation, the news analyst goes on: Such phraseologies as "deterrent" and "change of the situation" and the like are nothing but a sophism intended to keep US forces and nuclear weapons in South Korea on a permanent basis. The US forces in South Korea are not "deterrent forces" to cope with "threat" from someone but down-the-line occupationist and aggressor forces. The US imperialists try to provoke a war against the North on the Korean Peninsula, taking advantage of their forces' presence in South Korea. Their "troop cutback" plan has never been one for pulling their forces out of South Korea. They want to retain their grip on South Korea as an anti-communist bulwark and an advance nuclear base and overpower the North by strength, using it as a springboard. To this end they scheme to keep their forces and nuclear forces there for an indefinite period. They should not stage "troop cutback" farce but withdraw their forces and nuclear and all other weapons from South Korea as demanded by the Korean people and the people of the rest of the world.

U.S. 'Must Stop the War Clamor It Is Raising'

SK2711050290 Pyongyang KCNA in English 0432 GMT 27 Nov 90

[Text] Pyongyang November 27 (KCNA)—NODONG SINMUN today hits at the noisy talk of the U.S. imperialists about their "treaty commitments", "defence commitments", to the South Korean puppets.

The news analyst says:

At the recent U.S.-South Korea annual security consultative meeting the United States argued that the "security" of South Korea is vital to the "security" of the United States and that there is no change in its "defence commitments" to the puppet clique.

Defence Secretary Cheney said the United States will offer a quick and effective military support to the puppets and provide them with a "nuclear umbrella", while keeping the U.S. Forces in South Korea as "a deterrent" according to the U.S.-South Korea "mutual defence treaty".

The treaty is an aggressive and treacherous one designed to keep the U.S. imperialist aggression forces in South Korea indefinitely, ignoring the demand of the Armistice Agreement for the withdrawal of foreign troops from Korea and, if necessary, scrap the Armistice Agreement and unleash another criminal war of aggression in Korea.

The U.S. imperialist warmongers' loud talk about the "defence treaty" is aimed at encouraging the South Korean puppet clique to a war against the North. It is a vicious provocation against us and an intolerable challenge to dialogue.

Resorting to a double-dealing tactics—the policy of strength and peace—the United States is openly stepping up arms buildup and war preparations in the Asia-Pacific region, particularly in the Far East, and directing the sharp edge of their spearhead to Korea, while crying for "detente" and "disarmament" in other regions.

The hysteric war now raised by the United States together with the South Korean puppets under the pretext of "defence commitments" to South Korea is a dangerous signal showing that it will aggravate the situation to the extent where the unstable state of armistice cannot be converted into a durable peace in Korea, and wreck the Armistice Agreement and, further, unhesitatingly start another wer.

The United States must stop the war clamor it is raising under the plea of its "defence commitments" and withdraw its troops and nuclear weapons from South Korea at an early date.

N-S Contact for High-Level Talks 'in Progress'

SK2711012990 Pyongyang Domestic Service in Korean 0110 GMT 27 Nov 90

[Text] This is a report by reporter Kim Myong-song from Panmunjom:

The second contact of working-level delegates for the third North-South high-level talks is being held in camera in the southern section of Panmunjom. Numerous reporters came to Panmunjom to cover the contact. Two delegates to the North-South high-level talks and a responsible liaison official each from our side and the South side were present at the contact. The contact is in progress.

Delegate Holds News Briefing

SK2711110290 Pyongyang KCNA in English 1035 GMT 27 Nov 90

[Text] Panmunjom November 27 (KCNA)—The second working-level contact for the preparation of the third round of North-South high-level talks was held in camera in the South side's portion of Panmunjom today.

After the contact delegate of our side Paek Nam-chun gave a news briefing.

Noting that the task of the working-level contact is to confirm the documents to be discussed and adopted at the third round of high-level talks and arrange the drafts, he said:

At today's contact, our side proposed that a joint statement of North-South high-level talks, a North-South nonaggression declaration and a declaration on cooperation and exchange between the two parts be confirmed as the documents to be published at the forthcoming third round and urged the South side to start arranging their drafts.

He further said:

Reflecting the entire fellow countrymen's noble desire for reunification, the three documents proposed by our side are acceptable to anyone. The South side, however, laid a deliberate obstacle to the contact and, further, cast a gloom on the prospect of the third round of North-South high-level talks by bringing forward the division-orientated "basic agreement on the improvement of North-South relations" and opposing it to the documents proposed by our side.

Answering questions put by reporters, Paek Nam-chun explained the aforesaid three documents, proved their validity, and laid bare the divisive and anti-reunification nature of the South side-proposed "basic agreement on the improvement of North-South relations".

At the contact the South side persistently avoided the issue of the adoption of a North-South nonaggression declaration proposed by our side.

Out of the desire to save the third round of the high-level talks at any cost and live up to the expectation of the nation and from the stand of respecting and accepting the opinion of the South side, our side put forward a compromise proposal to adopt only a North-South nonaggression declaration and a declaration on North-South cooperation and exchange, taking into consideration the South side's assertion that it is difficult to arrange drafts of the three documents at a time, he said:

Our side urged the South side to come out to the next contact after studying this compromise proposal.

The next contact will be held on December 1.

Second Contact on Reunification Concert Held

SK2711112190 Pyongyang KCNA in English
1049 GMT 27 Nov 90

[Text] Panmunjom November 27 (KCNA)—The second contact between working officials of the North and the South of Korea for discussing practical matters concerning the participation of the Pyongyang National Musical Troupe in the "Traditional Concert for Reunification Seeing 1990 Out" due in Seoul was held at the Conference Room of the Neutral Nations Supervisory Commission [NNSC] here this afternoon.

At the contact the sides resumed discussion to define the number of our side's participants in the concert.

Explaining in plain terms that our proposal to set the number at 50 is intended to well show the looks and characteristic features of traditional music of the Pyongyang National Musical Troupe and thus make the "Traditional Concert for Reunification Seeing 1990 Out" a more significant festival, our side urged the South side not to set conditions of secondary importance but take into consideration the desire of the artistes and other fellow countrymen in the North and the South and the date of the concert close at hand so that the question of their number could be agreed upon and clinched today.

The South side, however, insisted on setting the number at 30, alleging that our side is "creating some difficulty," "it is strange why our side intends to send so many people," "if 50 persons are to be accepted, it must be approved by the authorities, so it will be good to discuss this matter at the level of cultural exchange."

Laying bare the unjust stand and attitude of the South side, our side said it could not but doubt if the South side really intends to make the "Traditional Concert for Reunification Seeing 1990 Out" a success although it "invited" our side. If both sides proceed from the stand of doing their utmost to successfully hold the concert at a time when the ardent sentiments for national reconciliation, unity and reunification are running high, they will be able to reach an agreement as to the number of persons without difficulty, stressed our side.

The sides agreed to meet again at the conference room of the NNSC here at 10:00 November 28.

KCNA Cites National Democratic Front Statement

SK2711120190 Pyongyang KCNA in English
1023 GMT 27 Nov 90

[Text] Pyongyang November 27 (KCNA)—The South Korean National Democratic Front (Hanminjon) solemnly urges the No Tae-u group to unconditionally discontinue its foolish obstructive moves against the normalization of DPRK-Japan relations and stop acting rashly, looking straight at the request of national history, the trend of the time and the will of the popular masses.

The Central Committee of Hanminjon said this in a statement dated November 24.

According to Radio Voice of National Salvation, the statement said the No group's challenge to the improvement of DPRK- Japan relations is clearly revealed in its scheme to have a decision adopted at the "South Korea-Japan Regular Ministerial Meeting" stipulating that Japan should not establish diplomatic relations with the North before the North joins the international nuclear safeguards accord and "recognizes the entity of South Korea" and "South Korea-China diplomatic relations are established."

The statement further said:

This reveals its sinister intention to drive a wedge in the talks for the improvement of DPRK-Japan relations, apply the brake on the establishment of diplomatic relations between them so as to maintain the cold war structure on the Korean Peninsula and isolate the North internationally. This is also a strategic arrangement for the security of the U.S. colonial domination and the No Tae-u military dictatorial "regime" in the state of division.

It is an impudent and obtrusive act for the No Tae-u group to get itself involved in the problem of the opening of DPRK-Japan diplomatic relations, grumbling about this or that and meddling in it.

As far as the establishment of DPRK-Japan diplomatic relations is concerned, it is a problem concerning sovereignty, a problem of putting a period to the abnormal state relations between the Democratic People's Republic of Korea, an independent sovereign state, and Japan, which must be solved in compliance with the requirements of the times and in accordance with the will and interests of the peoples of the two countries.

No one has the right to interfere in it.

The No group, however, threatened that if Japan decided the pending issues at the DPRK-Japan government-level talks without a prior agreement with it, it would scrap the "South Korea-Japan treaty". It is a ridiculous act and an act fooling the public opinion.

Driven into utter despair and consciousness of crisis the No group is resorting to all sorts of mean ruses to conceal its treacherous color and stem the trend of popular sentiments by frustrating the establishment of DPRK-Japan diplomatic relations under the backstage manipulation of the United States.

"Recognition of entity" and "coordination with the establishment of diplomatic relations between South Korea and China" raised by the No Tae-u group as "conditions of understanding" for the negotiation on the establishment of DPRK-Japan diplomatic relations are illogical and far-fetched arugments motivated by the ulterior intention to execute the "two Koreas" policy of the United States.

The No group is committing without hesitation a shameful act to put a spoke in the wheel of the normalisation of DPRK-Japan relations, claiming like a thief turning on the master with a club that if the DPRK-Japan relations are to be improved, the North should join the international nuclear safeguards accord.

As recognised by the world, South Korea is the biggest nuclear arsenal in the Far East in which more than 1,000 pieces of U.S nuclear weapons are densely deployed.

By taking issue with the North, a non-nuclear state, nevertheless, the No group clearly revealed its true color as a U.S. servant of nuclear war.

The No group is now persistently trying to foil the normalisation of DPRK-Japan relations at the instigation of the United States, but this is a foolish dream which cannot be realised.

Our people will never tolerate the anti-national, anti- historical frenzy of the No Tae-u group of heinous flunkeyist traitors who hinder the normalisation of the DPRK-Japan relations and seek a permanent division of the country, threatening peace in Asia and the rest of the world.

South Korea

North, South Present Proposals at 27 Nov Meet

SK2711073790 Seoul YONHAP in English 0710 GMT 27 Nov 90

[Text] Panmunjom, Nov. 27 (YONHAP)—Working-level officials of South and North Korea met Tuesday but could only agree to a third meeting on Dec. 1. They were to prepare for a meeting between their prime ministers in Seoul next month.

The South Korean side suggested that they first draft a basic agreement on improving inter-Korean relations and then form two committees, on politics and military affairs and on exchange and cooperation, to discuss the adoption of a non-aggression declaration, exchange and cooperation.

The North Korean side counter-suggested that they adopt declarations on non-aggression, exchange and cooperation at the same time.

The working-level meeting was attended by two delegates and a liaison official from each side. South Korean chief delegate Yi Pyong-yong, an aide to Prime Minister Kang Yong-hun, said, "The basic position of our side has not been changed much from the first and second main meetings."

Yi said he proposed Tuesday that the two sides adopt a basic agreement on improvement of South-North Korean relations.

Yi said the South Korean draft agreement calls for the realization of nonaggression declaration and vitalization of exchange and cooperation based on the building of mutual trust and respect of each other's entity.

The draft covers respect for entity, non-interference in internal affairs, newspapers, television, radio and establishment of resident liaison offices, he said.

It also calls for the establishment of two committees, on politics and military affairs and on exchange and cooperation, within one month to conclude agreements on non-aggression and on exchange, he said. He explained that the draft agreement is a compromise of South Korea's original version and North Korea's proposal for a non-aggression declaration.

Yi said the results of the working-level contacts will not affect the third prime minsters' meeting Dec. 11-14.

Paek Nam-chun, the North's chief delegate, said in a separate briefing that the South's refusal to adopt both non-aggression and exchange-cooperation declarations just because there is no mutual confidence was an excuse.

Paek, a member of the Administration Council, said the North Korean proposal reflected the contents of South Korea's proposals and that the South's draft agreement lacked a crucial point such as non-use of arms and suspension of military competition.

Japanese Ministers Call on President No Tae-u

OW2611135090 Tokyo KYODO in English 1323 GMT 26 Nov 90

[By Hiromi Takigami]

[Text] Seoul, Nov. 26 KYODO—South Korean President No Tae-u told seven Japanese cabinet members on Monday that he was encouraged by Japan's assurances that Tokyo will keep in close contact with Seoul in holding talks toward establishment of diplomatic ties with North Korea.

He also called for improvement of the legal status of Korean residents in Japan, the transfer of Japanese high technology to South Korea and efforts to correct Japan's large surplus in trade with South Korea before Prime Minister Toshiki Kaifu visits Seoul in early January, officials said.

The Japanese cabinet members are in Seoul for a two-day regular Japan-South Korea ministerial conference.

No, receiving a courtesy call from the Japanese cabinet ministers, showed understanding of Japan's moves toward rapprochement with North Korea.

Japan and North Korea have so far held two rounds of preliminary talks in Beijing in line with a joint declaration issued in Pyongyang on September 28. Japan's ruling Liberal Democratic Party [LDP], the No. 1 opposition Japan Socialist Party, and North Korea's governing Korean Workers Party issued the declaration, calling for the early establishment of diplomatic links.

Japan's former Deputy Prime Minister Shin Kanemaru, who signed the declaration as head of an LDP mission, visited South Korea on October 8 and apologized to No for "causing misunderstanding" to the South Korean people. Many South Koreans criticized the declaration's statement that Japan should compensate North Korea for its postwar "suffering."

In his meeting with Kanemaru, No called for full consultations with South Korea before Japan improves its ties with North Korea.

In Monday's meeting with the Japanese ministers, No was quoted as saying that his country will take a positive stance to encourage North Korea to enter the international society.

During the 45-minute session at the presidential office, No called for Japan to modestly reflect on its past conduct, alluding to Japan's harsh 1910-1945 colonial rule of the Korean peninsula. He also urged Japan to maintain close links with South Korea, Japanese officials said.

Foreign Minister Taro Nakayama told No that Japan will fully consult with South Korea over rapprochement with Pyongyang as part of its efforts to pursue peace and stability on the Korean peninsula, the officials said.

Nakayama described the September 30 establishment of diplomatic ties between South Korea and the Soviet Union as a "great achievement," Japanese officials said.

Later Monday, Prime Minister Kang Yong-hun urged prudence in establishing relations with North Korea, telling the Japanese ministers that Pyongyang's basic policies remain unchanged despite its recent flexibility in diplomacy.

South Korean Foreign Minister Choe Ho-chung made a similar call for caution in talks with North Korea at the opening session of the ministerial conference Monday morning.

Nakayama pledged that Tokyo will keep in close contact with Seoul on the matter. Nakayama welcomed No's planned visit to the Soviet Union later this year, saying it will help ease tensions on the Korean peninsula.

Seven cabinet members each from Japan and South Korea attended the session, the first of its kind since one in Tokyo in December 1986. South Korean ministers attending include Foreign Minister Choe, Justice Minister Yi Chong-nam, and Trade and Industry Minister Par Pil-su.

In addition to Nakayama, Finance Minister Ryutaro Hashimoto, Justice Minister Seiroku Kajiyama, and International Trade and Industry Minister Kabun Muto were among the Japanese delegates.

In response to Choe's call for better treatment of Korean residents in Japan, Nakayama and Kajiyama promised to stop fingerprinting Koreans if an alternative method of identification is developed, Japanese officials said.

South Korean cabinet members hailed the Japanese decision, they said.

In April, Japan had already promised to abandon the fingerprinting requirement for legally defined third- and later-generation Korean residents in Japan, of whom there are now only about four.

This time, Japan has agreed to extend this to the first- and second-generation Koreans, officials said.

First-generation Koreans are defined as those living in Japan since before August 15, 1945, or born in Japan before January 16, 1971. Second-generation Koreans are defined as those born in Japan after January 17, 1971, while the third generation comprises the children of the second generation.

An estimated 680,000 Koreans live in Japan, many of them descendants of conscripted Korean laborers brought over during Japan's colonial rule of the Korean peninsula between 1910 and 1945. All foreign residents in Japan are required to be fingerprinted at age 16.

Nations Discuss Kaifu's First Seoul Trip

SK2711072590 Seoul YONHAP in English 0532 GMT 27 Nov 90

[Text] Seoul, Nov. 27 (YONHAP)—Seoul and Tokyo are discussing a visit by Japanese Prime Minister Toshiki Kaifu to South Korea, Korean Ambassador to Japan Yi Won-kyong said Tuesday.

"Prime Minister Kaifu's visit to Korea, in reciprocation for President No Tae-u's visit to Japan in May, is being positively considered," Yi told a news conference shortly after the Korea-Japan ministerial meeting. "Consultation on the specific timing is under way."

Tokyo is reportedly seeking to schedule Kaifu's first-ever visit to Korea on Jan. 8.

Further on Ministerial Meeting With Japan

OW2711092090 Tokyo KYODO in English 0830 GMT 27 Nov 90

[By Hiromi Takigami]

[Text] Seoul, Nov. 27 KYODO—Cabinet ministers from Japan and South Korea closed two days of talks Tuesday with an agreement to promote improved relations between the two nations and promises to work together for peace and stability in Northeast Asia and the rest of the Asia-Pacific region.

South Korean Foreign Minister Choe Ho-chung remarked during the final plenary session that Japan should have a correct understanding of its past conduct—alluding to Japan's harsh 1910-1945 colonial rule of the Korean peninsula.

And, noting that ill feelings toward the Japanese remain among the South Korean people, Choe urged Japan to make its utmost efforts to do away with such "emotional barriers," Japanese officials said.

Japanese Foreign Minister Taro Nakayama said he recognizes that, as Japan-South Korea relations improve, the possibility of bilateral friction is almost certain to surface. But he urged that both nations view the promotion of relations with an eye on the long-range future.

The 15th session of the Japan-South Korea ministerial conference, held Monday and Tuesday in Seoul, discussed a number of issues between the two nations, such as the legal status of Korean residents of Japan, trade friction, and the transfer of high technology to South Korea.

In addition to Nakayama, Japanese delegates included Finance Minister Ryutaro Hashimoto, Justice Minister Seiroku Kajiyama, and International Trade and Industry Minister Kabun Muto.

South Korea's seven ministers included Choe, Justice Minister Yi Chong-nam, and Trade and Industry Minister Par Pil-u.

On Tuesday, the ministers devoted their 90-minute final session to future relations between the two countries.

South Korea called for Japan's cooperation in making a success of two major international conferences planned for Seoul next year—the Asia-Pacific Economic Cooperation (APEC) forum and the U.N. Economic and Social Commission for Asia and the Pacific, Japanese officials said.

South Korean ministers renewed Seoul's request for the transfer of Japanese high technology, which they said is indispensable for the development of friendly relations between the two countries.

Korean Justice Minister Yi Chong-nam pointed to the hardships suffered by the Korean ethnic minority in Japan since before World War II and reiterated Seoul's appeal for better treatment for them, officials said.

Nakayama, leader of the Japanese delegation, promised Japan will make further efforts to improve the legal status of the country's Korean residents.

On Monday, Nakayama and Kajiyama said Japan will abolish mandatory fingerprinting of Korean residents after an alternative way of identification is developed.

Kajiyama echoed Nakayama and told the second day session that major steps have been taken over fingerprinting, something that Japan requires of all foreign residents aged 16 or older. Third-generation Korean residents of Japan were exempted from the practice under an agreement reached when Nakayama visited Seoul in April. Seoul and Korean resident organizations, however, pointing out that third-generation residents now account for only three or four of the estimated 680,000 Koreans living in Japan, have insisted that the first and second generation be exempted as well.

South Korean officials have urged that first- and second-generation Korean residents of Japan be exempted from fingerprinting during a grace period until the proposed substitute indentification process is developed, but Kajiyama said that would be "impossible within the outlines of Japanese law." Yi has also urged that the system of penalties for fingerprinting violations be waived until the alternative system is developed.

The Korean justice minister said, "When the alternative system is developed, the penalties for violations will end," adding that he expects Japan will make a friendly gesture even before the new method of identification is developed.

Nakayama told reporters after the plenary session that Japan will make every effort to resolve the fingerprinting issue, along with other pending issues, before a scheduled visit to Seoul next January by Prime Minister Toshiki Kaifu.

Choe told a press conference that South Korea and Japan have reconfirmed the view that peace and stability on the Korean peninsula is essential to the stability of Northeast Asia.

Both sides have agreed that moves toward rapprochement between Japan and North Korea and between the two Koreas themselves must lead to relaxation of tensions and a peaceful settlement on the peninsula. The Korean foreign minister also said the two countries will cooperate in promoting economic ties with China, the Soviet Union, and Eastern Europe.

Meanwhile, Choe told the closing day plenary meeting that Seoul hopes for further development of the Asia Pacific region and for the success of the Asia-Pacific Economic Cooperation (APEC) forum, which includes the United States, Canada, Japan, South Korea, Australia, New Zealand, and six Southeast Asian Countries, to promote economic prosperity in the region.

During the two-day conference, Japan pledged that it will fully consult South Korea as it proceeds with talks aimed at establishing diplomatic ties with North Korea.

On economic matters, the ministers from the two nations agreed to hold talks regularly on economic polices and to support each other in international negotiations.

In response to Seoul's demands for the transfer of high technology, Japan has agreed to help South Korea promote advanced industries, officials said.

On Monday, Nakayama and six other ministers met President No Tae-u and told him that Kaifu will visit South Korea on January 9-11 to cement bilateral ties.

Complaints of Unfair U.S. Customs Treatment Up

SK2611060490 Seoul YONHAP in English 0515 GMT 26 Nov 90

[Text] Seoul, Nov. 26 (YONHAP)—U.S. barriers to South Korean imports are increasing and complaints of unfair treatment of Korean goods by the U.S. Customs service are rising, according to data prepared by the Trade and Industry Ministry on Monday.

The United States restricts imports of 13 Korean manufactured items and is preparing to add two more to its list—polyester films and cathode ray tubes (CRTs) for color television sets—said the ministry data submitted to the National Assembly.

Polyester films were targetted for alleged dumping and CRTs, which were pronounced as having a dumping margin rate of 7.34 percent by the U.S. Commerce Department in November 1987, for concealing their origin by arriving through Mexico.

Among the 13 imports that are restricted, eight fall under anti-dumping regulations—color televisions, albums, malleable cast iron pipe fittings, bronze plates, CRTs, telephone exchange equipment, nitro-cellulose and acrylic sweaters.

Metal products fall under anti-countervailing duty restrictions, textiles and steels under a governmental agreement, and plastic bags and eprom, a kind of semiconductor, are restricted under article 337 of the U.S. Trade Act.

A Korean government survey of unfair trade practices against Korean imports found that U.S. Customs officials classify Korean goods into high-tariff categories and cause trouble by exploiting a binational agreement on rules of origin.

The U.S. Customs, in order to apparently disadvantage Korean goods, has deliberately drawn up unnecessarily complicated customs clearance documents for imports from Korea and uses apparently biased sanitary examinations and quarantine standards to keep out Korean goods, according to the survey of 110 Korean exports to the U.S. market that decreased in the first half of the year and the products of 420 chief Korean exporters.

On the basis of the survey, Korea urged the United States to straighten out its customs practices twice, in June and in July. Some of the unfair practices were corrected, but most of them persist.

The government is demanding more corrective steps and seeking a more exact picture of the hardships Korean exporters face in the U.S. market through the Korea Foreign Trade Association and the Korean Chamber of Commerce and Industry.

Nation Plans To Contribute to Desert Shield

SK2611010490 Seoul YONHAP in English 0034 GMT 26 Nov 90

[Text] Seoul, Nov. 26 (YONHAP)—The Economic Planning Board [EPB] reported to the National Assembly Economy-Science Committee on Monday that South Korea will contribute 220 million U.S. dollars to the multinational forces in Saudi Arabia and the frontline countries.

The EPB reported that 120 million dollars would be sent to the multinational forces in the Persian Gulf and 100

million dollars to such frontline states as Turkey and Jordan, which are believed to bear the burden of sanctions against Iraq.

Of the 120 million dollars, 95 million dollars (including 50 million dollars in cash) will be provided this year and 25 million dollars next year for the multinational forces deployed in the Desert Shield operations.

The non-cash support will consist of transport support such as Korean planes and ships and non-lethal military supplies, the EPB said.

Of the 100 million dollars to the frontline countries, 75 million dollars will be provided this year and the rest next year.

The government will render the economic assistance in the form of machinery, materials, daily commodities and long-term, low-interest loans from its economic development cooperation fund to minimize the impact on the domestic economy.

The EPB said the support had been decided in a way to meet international law, the principle of international justice and the U.N. Security Council's resolution that no acts of armed invasion should be tolerated.

Government Sued for Lost Radio Station Shares

SK2011034590 Seoul YONHAP in English 0246 GMT 20 Nov 90

[Text] Seoul, Nov. 20 (YONHAP)—An influential newspaper sued the government and the Korean Broadcasting System (KBS) Tuesday to nullify the "forced surrender" of its shares in TONG-A Broadcasting Station (TBS) a decade ago.

TONG-A ILBO, a major shareholders in TBS before it was turned over to KBS in 1980, said in a suit filed with the Seoul District Court that the daily's then-chairman, Kim Sang-man, and its President, Yi Tong-uk, were detained by the martial law authorities and forced to sign documents relinquishing their rights to TBS. It also said an injunction will be filed with the court to keep the state-run network from using TBS facilities.

TONG-A is the second paper to sue the government over the 1980 press mergers, in which the military headed by Gen. Chon Tu-hwan forcibly closed tens of dailies and the privately owned TBS. HANGUK ILBO filed for compensation of 10 billion won (14 million U.S. dollars) last week as "indemnity for extensive damage" caused by forced closure of its economic daily, SEOUL KYONGJE SINMUN.

TONG-A officials said Kim and Yi, while held at the Defense Security Command, were pressured to surrender their shares in TBS. They were told that other shareholders also gave up their rights, and that it would be "better for them personally" to do the same.

"Such an act is in clear violation of the law," the suit said. "Because the decision was made without freedom of choice, the document is legally null and void. "Turning over the shares or rights also requires approval of the board of directors, which was never given and thus makes the decision illegal."

Hyundai Sues Government for Return of Stocks

SK2011072890 Seoul YONHAP in English 0551 GMT 20 Nov 90

[Text] Seoul, Nov. 20 (YONHAP)—Hyundai Engineering and Construction Co., a subsidiary of the Hyundai Business Group, filed suit Tuesday to reclaim the 10-percent stake in Munhwa Broadcasting Corp. (MBC) it donated to the government 10 years ago.

The suit names the government and the Foundation for Broadcast Culture, which has Hyundai's 10 percent, and charges the military used coercion to force the transfer during mass restructuring of the media under then-military strongman Chon Tu-hwan.

Company executives were detained by the military intelligence agency and made to sign a document "donating" the Hyundai shares to the government. The shares were later turned over to Korean Broadcasting System and then given to the foundation in 1988.

The donation was made under extreme pressure and was illegal, the suit claims, demanding the return of the stock.

Burma

Diplomats Witness Destruction of Narcotic Drugs

BK2711074690 Rangoon Domestic Service in Burmese 1330 GMT 26 Nov 90

[Excerpts] A ceremony for destruction of confiscated narcotic drugs, under the auspices of the Central Narcotic Drugs Control Board, was held at 0800 today at Aung Thabyay Police Station on Kyaikwaing Pagoda Road in Mayangon Township. It was attended by Lieutenant General Phone Myint, chairman of the Central Narcotic Drugs Control Board and minister for home and religious affairs and for information and culture; Lieutenant Colonel Aung Ye Gyaw, minister for cooperatives and construction; Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council; Colonel Pe Thein, minister for education and health and commander of the Universities Training Corps; Major General Myo Nyunt, commander of the Yangon [Rangoon] Military Command Headquarters; Brigadier General Thein Win, chief of staff of the Air Force; directors general and senior officials from the Ministry of Defense; Brigadier General Khin Hla, divisional commander of the 22d Mobile Light Infantry Division; directors general and managing directors from the Office of the SLORC, the Office of the Cabinet, and government departments; Director General San Thein of the People's Police Force, who is also secretary of the Central Narcotic Drugs Control Board; members of the board; ambassadors, charge d'affaires, military attaches and diplomatic officials from foreign embassies; resident representatives from the United Nations Development Program and the Food and Agriculture Organization; the World Health Organization, UNICEF, and the United Nations Fund for Narcotic Drugs Control; representatives from the PRC Department of Narcotic Drug Control; U Kyaw San, leader of the SLORC Information Committee, and members; local and foreign journalists led by U Soe Nyunt, managing director of the News and Periodicals Enterprise; and responsible officials from the People's Police Force. [passage omitted]

Speaking at the ceremony, Police Director Ngwe Soe Tun first expressed his thanks to the guests for attending the third destruction of confiscated narcotic drugs. In explaining the policy concerning major opium growing border regions and the Myanmar [Burma] policies on narcotic drugs control, Ngwe Soe Tun said the policy is aimed at eventual eradication of production of narcotic drugs . He said that meanwhile, concerted efforts are being made for development of national races and measures are being implemented to gradually eradicate production of narcotic drugs. He said, in accordance with the said policy, that the SLORC has formed the Central Committee for Development of National Races in Border Regions and ad hoc committees to carry out various projects.

He said the state had spent millions of kyats for development of agriculture, livestock breeding, transport and communications, new towns, trade, cooperatives, health, education, mineral exploration, and energy in the Kokang Region in Northern Shan State, Wa Region, Eastern Shan State, Keng Tung Region, Maw Hpa Region, and Northern Kachin State as part of its policy to gradually eradicate production of narcotic drugs. [passage omitted]

He said the campaign against narcotic drugs being carried out in the Kokang region will affect not only Myanmar, but international countries as well. He said fabricated reports about the current campaign against narcotic drugs in Myanmar spread by some countries, foreign broadcasting stations, and journals are an attempt to cover up the narcotic scene in their own countries. He said we have proven the truth today. He said while we are being accused of cultivating and producing thousands of kilograms of opium, these countries are allowing trading and trafficking of heroin through airports, ports, and land routes. He asked why they are not exposing their own authorities who are colluding with drug traders and traffickers. [passage omitted]

He said recently there have been fabricated reports describing the Golden Triangle—the region where the Thai, Lao, and Myanmar borders meet—as the top opium producing area in the world. [passage omitted] He said opium is not grown in the Golden Triangle and that this will be shown when there is opportunity. [passage omitted]

He said the narcotic drugs to be destroyed for the third time are worth U.S.$398.76 million and they include 165.3 kg of heroin, 11.521 kg of opium oil, 86.661 kg of liquid opium, 1,190.464 kg of marijuana, and 5,601 liters of phensedyl. [passage omitted]

In the presence of Ministers Lt Gen Phone Myint, Lt Gen Aung Ye Gyaw, SLORC Secretary-1 Maj Gen Khin Nyunt, Col Pe Thein, ambassadors, diplomats, military attaches from foreign embassies, UN officials, and local and foreign journalists, 165.3 kg of heroin, 114.521 kg of opium oil [figure as heard], 86.661 kg of liquid opium, 1,190.464 kg of marijuana, and 5,601 liters of phensedyl worth U.S. $398.76 million were destroyed. [passage omitted] The ceremony ended at 1030.

Brunei, Malaysia & Singapore

Malaysia

Purchase of Jets Planned Before End of Year

BK2211101390 Kuala Lumpur BERNAMA in English 0734 GMT 22 Nov 90

[Text] Kuala Lumpur, Nov 22 (OANA-BERNAMA)—Malaysia will sign the agreement to purchase British-made Hawk fighter jets before the end of the year, Chief of Air Force Lieutenant General Mohamed Yunus Tasi said Thursday [22 November]. The aircraft, manufactured by

British Aerospace, would replace the refurbished American-made Skyhawk fighter jets in service now.

He spoke to reporters after opening a conference of military officers here.

The RMAF [Royal Malaysian Air Force] presently maintained two Skyhawk squadrons.

Recently, Defence Ministry Secretary-General Nasruddin Bahari announced that the government had agreed to procure the Hawk-100 and Hawk-200 series.

The acquisition was part of a Malaysian $4.5 billion (about U.S. $1.66 billion) arms deal under the memorandum of understanding signed by Malaysia and Britain in 1988.

Singapore

Goh Chok Tong Formally Named Prime Minister

BK2711051290 Hong Kong AFP in English 0507 GMT 27 Nov 90

[Text] Singapore, Nov 27 (AFP)—Singapore First Deputy Prime Minister Goh Chok Tong was formally named Tuesday as successor to Premier Lee Kuan Yew, who is stepping down after 31 years at the head of the island city-state.

In a brief meeting at the Istana Executive Mansion President Wee Kim Wee asked Mr. Goh, 49, to form a new government for the multi-racial Southeast Asian country of 2.7 million people.

Mr. Goh, who has long been Mr. Lee's designated successor, will be sworn in Wednesday in a simple ceremony in the city hall chambers that will end the rule of the world's longest-serving elected prime minister.

The 67-year-old Mr. Lee will stay on, however, as senior minister and secretary general of the ruling People's Action Party (PAP) he co-founded in 1954 when Singapore was under British rule.

In a letter to Mr. Goh, the president said he appointed him prime minister because "in my judgement, you are the person who is able to command the confidence of the majority of members of parliament. I have every confidence that you will acquit yourself with distinction as prime minister and ensure the continuity and the stability of Singapore."

Officials also released the text of a letter from Mr. Wee to Mr. Lee, accepting the resigation which was tendered on Monday, effective after Mr. Goh was sworn in. "I speak for the people of Singapore in thanking you for your selfless devotion, over the past 31 years as prime minister, to the building of modern Singapore," Mr. Wee wrote.

He called Mr. Lee's decision to stand down and assure a smooth transition of power to a new generation of leaders "a remarkable act of leadership unparalleled elsewhere. The success of this transition will ensure stability and progress for Singapore."

The president noted that Mr. Lee, who took over an autonomous government under British rule in 1959 and steered Singapore to independence in 1965, would remain in government as a senior minister.

"I am confident that this will enable him (Mr. Goh) and his ministers to benefit from your advice as they embark on a new phase of Singapore's history," Mr. Wee said.

To Retain Entire Cabinet

BK2711105990 Kuala Lumpur BERNAMA in English 1002 GMT 27 Nov 90

[From Syed Imran Alsagoff]

[Text] Singapore, Nov 27 (OANA/BERNAMA)—Goh Chok Tong, who will be sworn in as Singapore's prime minister Wednesday, has retained the entire cabinet of outgoing Prime Minister Lee Kuan Yew.

Goh will continue to be the minister for Defence, according to a Singapore Government press release, Tuesday.

Lee Kuan Yew will be appointed senior minister, Prime Minister's Office.

Ong Teng Cheong will be retained as deputy prime minister while minister for Trade and Industry, Brig-Gen. [Brigadier-General] (Res) Lee Hsien Loong, has been promoted as the other deputy prime minister apart from continuing to hold his present portfolio.

However, Goh has done away with the protocol of first and second deputy prime minister. Acting Health Minister Yeo Cheow Tong will be promoted to full minister and remain in charge of Health.

Goh will also promote Brig-Gen.(Res) George Yeo from minister of State to senior minister of State (Foreign Affairs) and acting minister of the newly created Information and the Arts Ministry.

Backbencher Dr. Aline Wong will be made minister of State for Health.

The new Singapore Cabinet:
Prime minister and minister for Defence: Goh Chok Tong
Senior minister, Prime Minister's Office: Lee Kuan Yew
Deputy prime minister: Ong Teng Cheong
Deputy prime minister and minister for Trade and Industry: Brig- Gen Lee Hsien Loong.
Minister for National Development: S. Dhanabalan
Minister of Education: Dr. Tony Tan Keng Yam
Minister for the Environment: Dr. Ahmad Mattar (also minister-in-charge of Muslim Affairs)
Minister for Communications and second minister for Defence: Dr. Yeo Ning Hong
Minister for Law and minister for Home Affairs: Professor S. Jayakumar

Minister for Finance: Dr. Richard Hu Tsu Tau
Minister for Labour: Lee Yock Suan
Minister for Foreign Affairs and minister for Community Development: Wong Kan Seng
Minister for Health: Yeo Cheow Tong
Acting minister for Information and the Arts: Brig-Gen. George Yeo.

Cambodia

Khmer Faction Suspected in Ambulance Robbery

BK2711063490 Hong Kong AFP in English 0613 GMT 27 Nov 90

[Text] Bangkok, Nov 26 (AFP)—Some 30 Cambodians robbed an International Committee of the Red Cross (ICRC) ambulance transporting wounded guerrillas to a border hospital, shooting up the car and wounding ICRC officials, border police said.

Police said the ambulance with an unidentified number of guerrillas loyal to Prince Norodom Sihanouk aboard, was stopped some 250 kilometers (150 miles) east of here by thieves suspected to belong to the Khmer People's National Liberation Front (KPNLF) faction.

The thieves opened fire at the ambulance to destroy the radio system and made off with the valuables of two ICRC officials, who were wounded by the gunshots, police said.

They said the occupants of the ambulance later arrived at the Khao I-Dang hospital while more than 80 Thai officials were mobilized to hunt the thieves, who were heading towards Site 2, a border camp housing Cambodian refugees which is run by the KPNLF.

Both the KPNLF and Prince Sihanouk's faction are loosely allied to the Marxist Khmer Rouge in a tripartite resistance coalition fighting the Phnom Penh government.

Police described the route as dangerous, saying there have been at least 10 cases of robbery in the area this year. Last month the Burapa Task Force, which oversees security at the border, set up a special unit to tackle the problem.

Governor on 'Rehabilitating' Former Rebels

BK2611124990 Hong Kong AFP in English 1206 GMT 26 Nov 90

[Text] Sisophon, Cambodia, Nov 26 (AFP)—It pays to be a turncoat resistance guerrilla in Cambodia these days.

The provincial government here in northwest Cambodia has splashed out some 6.2 million riels (about 100,000 dollars at free market exchange rates) this year on rehabilitating former fighters of the three-party resistance coalition and taking over their weapons, Banteay Meanchey Governor It Loeu said. He said that so far this year 1,315 guerrillas had come over to the Vietnam-backed Phnom Penh administration.

They included 187 members of the militarily powerful Khmer Rouge faction, 933 guerrillas of the Khmer People's National Liberation Front and 195 fighters loyal to Prince Norodom Sihanouk.

Mr. It Loeu added that at least 391 Cambodian refugees had returned to their homes this year from camps in Thailand run by the three resistance factions.

Officials in Battambang Province, south of Banteay Meanchey and also bordering Thailand, said 310 guerrillas had rallied there this year to the government side, including 264 from the Marxist Khmer Rouge.

Mr. It Loeu said the government had paid more than 6.2 million riels in bounty this year to guerrillas who surrendered to Phnom Penh forces in this province on the frontline of the fighting. The money was used to pay for the guerrillas' weapons, to feed them and transport them to their homes.

The government paid 2,000 riels for each U.S.-made M16 assault rifle, 10 riels for a bullet and 3,500 riels for a B40 rocket-propelled grenade, the governor said. Officials said the same directives had been given to other provincial administrations in this country torn by civil war for nearly 12 years.

Most soldiers in the Phnom Penh forces are armed with Soviet-designed AK-47 assault rifles, but militiamen and soldiers cradling M16s at posts along country roads are a common sight.

The government has said it expects the resistance to launch major attacks during the dry season, which is about to start.

Sihanouk Faction Criticizes Hanoi, Phnom Penh

OW2611113990 Beijing XINHUA in English 0724 GMT 26 Nov 90

[Text] Bangkok, November 25 (XINHUA)—"The root of the current stalemate in the Cambodian peace process is the deliberate refusal by authorities in Hanoi and Phnom Penh to accept an enhanced role for the U.N. in the implementation of a comprehensive political settlement to the question at hand."

These remarks were made by FUNCINPEC (National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia) in a declaration adopted at a workshop held last week inside Cambodia.

Moreover, "the only obstacle to the international efforts to find an equitable and acceptable solution is Hanoi and Phnom Penh's unwillingness to abandon their single party domination and control of Cambodia, to allow the Cambodian people to freely exercise their rights of

self-determination through the process of attaining genuine national reconciliation," said the declaration received here this evening.

It added that representatives of FUNCINPEC from Australia, Canada, France, Japan, Malaysia, United Kingdom, United States, Thailand and Cambodia attended the workshop held from November 21 to 23 at Phum Ekkareach, Oddar Meanchey Province, located in northern Cambodia.

Workshop representatives primarily discussed the latest political developments in the peace process for the settlement of the Cambodian question. The meeting was organized by Norodom Ranariddh, personal representative of Samdech Norodom Sihanouk in Cambodia and Asia.

"By denying the U.N. the ability to verify the withdrawal of its occupying forces from Cambodia, Vietnam has been systematically stepping up maneuvers to buy time with the intention of preventing the Perm Five (Five permanent members of the U.N. Security Council) framework document from becoming the base for settling the Cambodian conflict. It is the very text that all Cambodian parties to the conflict accepted in its entirety as crystallized out in their Jakarta joint statement of September 10, from being effectively implemented," the declaration pointed out.

In their joint memorandum sent earlier in November to the co-chairmen of the Paris International Conference on Cambodia (PICC), Hanoi and its protege Hun Sen have openly opposed an enhanced U.N. role in Cambodia, saying that "the military component of the U.N. Transitional Authority in Cambodia (UNTAC) should not be a fighting unit armed with heavy weapons and it should not have the character of peace keeping forces," the declaration said.

By faithfully serving the Vietnamese objective, Hun Sen has also refused to abide by the Jakarta agreement and the Perm Five framework document, concerned with the election of Sihanouk as chairman of the Supreme National Council (SNC), it said, adding that "such a position can only be viewed as a maneuver to prevent this unique and legitimate body and source of authority of the SNC from being functional and playing its positive role in the process of a comprehensive political settlement of the Cambodian conflict."

The FUNCINPEC workshop considered that the chairmanship of the SNC by Sihanouk is indispensable and incontestable in attaining a real national reconciliation, it said.

Phnom Penh Discounts Khmer Rouge Military Plans

BK2711065990 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Nov 90

[Station commentary: "Pol Pot Clique's True Colors"]

[Text] At the time when the world is seeking peaceful means to end the conflict in Cambodia, the Pol Pot genocidal clique has publicly proclaimed that it will launch military attacks to retake Siem Reap-Oddar Meanchey and Kompong Thom Provinces at gunpoint. Voice of Democratic Kampuchea radio last Wednesday arrogantly announced this. It also threatened our people in Kompong Thom Province and specifically asked them to flee so as to get away from the imminent attacks.

Is this the genocidal Pol Pot gang's softened position and goodwill? On the contrary, this is not only an action running counter to the prevailing trend, but also ruthless opposition to the UN secretary general's appeal calling on all the Cambodian parties to be maximally patient. Moreover, the announcement on the use of military force by the Pol Pot clique is a reaction against the meeting held in Paris by the co-chairmen of the Paris conference and the five permanent members of the UN Security Council [UNSC] with a view to breaking through the deadlock in the Cambodian problem. According to Hong Kong's SUNDAY MORNING POST, the Pol Pot clique has recently summoned its army commanders to a meeting at which they were briefed on their unchanging tactics and strategy on waging war in Cambodia. In other words, the iron-oxide tactics should be employed for the purpose of achieving their strategic objective of overthrowing the State of Cambodia [SOC], then reinstating the stinking genocidal Pol Pot regime.

As for Khieu Samphan, he is assigned by Pol Pot to block and create obstacles to every arena's negotiations on a settlement of the Cambodian problem pending their seizure of power in the country again. For this aim, Pol Pot has lately strived to ship tanks and 130-mm artillery pieces, which are aid newly arrived at the other side of the border, to the interior of the country with the aim of plundering and slaughtering the people and lauching offensives when it is opportune.

According to a reliable informed source, at present the Pol Pot clique is hiding armaments and war equipment inside Cambodia, specifically in jungles. The arms cache would enable them to keep the war going on for at least seven years. Over the past 12 years the Pol Pot clique has at all times claimed that it has seized this or that area and destroyed this or that number of the Cambodian people's authorities. This is to win support in the international arena, to conduct demagogy to fool the people, who have been led astray by it, and to threaten inhabitants living in remote areas.

Reality has shown that over the past 12 years the Pol Pot gang and its allies have survived only as bandits controlling mere jungle areas and monkeys. Its propaganda on military victories can only fool Samdech Sihanouk and Mr. Son Sann into continuing to rely on their imaginary force, serving them politically and as a smokescreen concealing their crimes. Indeed, Samdech Sihanouk and Mr. Son Sann remain the close allies of the genocidal Pol Pot clique and are now earnestly demanding that the

Phnom Penh Government be dissolved and that the SOC army—the only force capable of preventing for 12 years the return of the genocidal Pol Pot regime—be disarmed. Along with this, they have also demanded that Cambodia be placed under UN supervision and that an international peacekeeping force be dispatched to Cambodia without taking into the least consideration the value of Cambodia's sovereignty. This is also an action encroaching upon the rights to self-determination of the Cambodian people.

The Pol Pot clique's utterance clearly shows its warmongering and power-thirsty nature as well as atrocity. This is an unalterable Pol Pot gang characteristic that mankind, particularly our people, should be alert to all the time. Faced with this, the SOC Government has always maintained its resolute stance on neither dissolving the existing administration in Cambodia nor disarming and demobilizing its army prior to elections. This stance has been upheld by the Cambodian people all over the country through hundreds of thousands of petitions that clearly reflect the people's determination to prevent the return of the genocidal Pol Pot regime, safeguard every social gain, and object to any settlement requiring the dissolution of the existing government in Cambodia.

In sum, the threatening propaganda conducted by the Pol Pot clique has never been able to either horrify or fool our people, who have been assuming every task with mastery. Our people have undoubtedly realized that this is neither the clique's first nor last threat. The final decision is not dictated by the Pol Pot clique but the Cambodian people themselves. The Pol Pot gang and their allies' ambition is grandiose, but their ability is limited. One still remembers that last year they boasted that once Vietnamese forces completely withdrew from Cambodia, they would attack and topple the SOC in the twinkling of an eye. It is nearly one year since the last contingent of the Vietnamese volunteer troops left Cambodia; they have not, however, been able to do anything and the SOC remains firm as ever. Now, their ambition has diminished to some extent [words indistinct]. They have only boasted that they will seize one or two provinces, not the entire country. By all appearances, this is just a disgusting pack of lies. If the Pol Pot gang and their allies use armed force to menace the Cambodian people, the latter will use their rights to self-defense to forcefully counterattack so as to defend their property, lives, and tranquility.

The Pol Pot gang and their allies should not dream that they can overthrow the SOC through military might.

Opposition's Propaganda Campaigns Ridiculed

BK2611114190 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Nov 90

[Station commentary: "A Ridiculous Juggling Act"]

[Text] As the light at the end of the dark tunnel in the Cambodian problem is shining brighter and brighter, the Cambodian opposition factions have become frantic in launching propaganda campaigns to viciously slander the State of Cambodia's government and shamelessly project a high image of themselves.

Not a single person is surprised by their shallow maneuver because, at present, the UN Security Council, the co-chairmen of the Paris International Conference, and the countries involved in the Cambodian problem are busily engaged in diplomatic activities in a bid to bring about a common political solution for the Cambodian problem. In other words, sooner or later there will be a free and fair election in Cambodia. If this really happens, the Cambodian opposition factions hope, they will win.

For this reason, they have been struggling hard to conduct propaganda campaigns aimed at confusing national opinion in an attempt to win the sympathy of the people. They vociferously announced to anyone who cared to listen to them that they were the champions of the people's rights, that they were patriots, that they were the ones who wanted 100 percent independence for Cambodia, and so on.

What really counts, however, is not merely paying lip service; it is concrete action.

The Cambodian people are well aware that for three years eight months and 20 days when the Angkor motherland was plunged into the sea of blood and tears by the Pol Pot gang, the Son Sann and Prince Sihanouk groups did not try to liberate them from the bloody claws and fetters and shackles of the genocidal gang at all. During all that time, the Cambodian people were praying feverishly for help and said they would be grateful to the rest of their lives to anyone who responded to their prayer. What, then, did the Son Sann and Prince Sihanouk groups do? They selfishly spent their time in opulence in large mansions or grand palaces abroad. Only after our people were liberated and could restore their lives together with their rights and freedom as the genuine masters of their own destiny and of the country did the Son Sann and Prince Sihanouk groups come out to set up this or that front ostensibly to liberate the Cambodian people.

The Cambodian people would like to ask: What is the purpose of their so-called liberation struggle? Is it liberation for the return to the three-year-eight-month-20-day regime?

Moreover, these groups have forcefully boasted that they fought for the people's rights and interests and were champions of liberal democracy. But they have betrayed the souls of more than three million Cambodians who perished under the Pol Pot regime: Not only did they refrain from condemning the butchers of their own compatriots, they instead colluded with these bloodthirsty butchers themselves. Over the past nearly 12 years when the Cambodian people were expending physical, moral, and intellectual efforts to restore and develop the country from the heaps of rubble, they have instead sought by all means to undermine and sabotage

everything from roads to bridges to schools to hospitals to rice in the fields. Is this what they called patriotism?

They have violated the rights of Cambodian refugees in various camps and, taking advantage of the complete withdrawal of Vietnamese troops from Cambodia, they launched attacks against Cambodia, slaughtering and robbing Cambodians and raping women in a number of remote regions. Is this what they meant by respect for the rights and interests of the Cambodian people?

Meanwhile, the leaders of these factions, just a few days ago, vociferously charged that the leaders of the State of Cambodia were power hungry, forgetting that they themselves, having no territory and living off the donations of foreign countries, still wished to grab power in a most ridiculous manner. People still remember that Son Sann was repeatedly expelled from power by the leadership of the so-called Khmer People's National Liberation Front headed by Sak Sutsakhan and that he went around begging for support so that he could cling to the power. Moreover, for the sake of this very power, Son Sann did not hesitate to collude with the genocidal Pol Pot gang, which had slaughtered so many Cambodians. In 1982 Son Sann said he wanted very much a clean chair, but it would require him to wait a long time. So, he had to sit on a blood-stained one.

As for Prince Sihanouk, although he was a hostage of the Pol Pot clique, he spared no efforts to make himself president of the tripartite coalition government despite the fact that this was only a figurehead position. Recently, although he had announced a six-month leave of absence, Prince Sihanouk still vied for the chairmanship of the Supreme National Council [SNC]. Furthermore, without being a member of the SNC, this prince interfered in the internal affairs of this council by ordering this person or that person to do this thing or that thing. Is this not an instance of hungering for power?

In short, the latest propaganda campaigns of the Cambodian opposition factions is nothing but a ridiculous juggling act. As the masters of the country and of their own destiny, the Cambodian people know very well who is good, who is bad, and with whom they can entrust their future. For this reason, it is our understanding that the best path for these opposition factions to follow is to take good care of their physical and moral health so that they can live a little longer. Good things need not be flaunted to get attention.

Party Journal Opposes Government Dissolution

BK2311144990 Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Nov 90

[PRACHEACHON commentary: "Who Wants Genuine Peace for Cambodia?"]

[Text] Of late, along with the feverish diplomatic activities of important personalities from countries involved in the Cambodian problem and with the approach of the reconvening of the Paris International Conference on Cambodia, we noticed that Sihanouk and Son Sann had jumped onto the stage and shamelessly made themselves seen and heard to national and international opinion in an attempt to make people believe that they were the champions fighting for a breakthrough in the deadlocked search for a political solution to the Cambodian problem.

Through such a primitive and cheap trick of a thief shouting stop thief, Son Sann slandered the governments of the State of Cambodia and Vietnam, charging them of being the ones who have created the obstacle and caused the impasse to the process of finding a political solution to the Cambodian problem. As for Sihanouk, he adopted the tactic of the old tiger in the fable that pretends to be fasting as he volunteered to bring about a breakthrough to the deadlock in the peace negotiations with Phnom Penh, which he himself had more than once sabotaged, and took the initiative of publicly offering the post of vice chairman of the Supreme National Council (SNC) to Chairman of the Council of Ministers Comrade Hun Sen.

No one can turn off sunlight with just his hands. Likewise, no one can conceal the truth forever. In fact, it is widely known that it is the Government of the State of Cambodia—which is in control of the country and the people and is guiding all the activities in this whole society—that has made profound concessions in order to break through the deadlock around the Cambodian conflict and that has brought about the possibility of advancing toward achieving a genuinely peaceful political solution for the people and preventing the genocidal Pol Pot regime's recurrence. As a matter of fact, the Government of the State of Cambodia completely withdrew the Vietnamese volunteer troops from Cambodia ahead of schedule and accepted that the tripartite coalition government—an exiled government with neither territory nor population—be allowed to participate in an equal number in the SNC.

Thanks to the goodwill and tireless efforts together with the concessions of the State of the Cambodia, several past forums seeking peace for Cambodia, especially the ones in Tokyo and Jakarta, made many positive results. It has been most regrettable, however, that the tripartite Pol Pot-Sihanouk-Son Sann clique has sought by all perfidious maneuvers and schemes to wantonly encroach upon and sabotage the principles of all the agreements reached. One irrefutable evidence of the deadlock in the function of the SNC is that those in the tripartite coalition have insisted that Sihanouk, who currently is outside this SNC, be chosen as the 13th member and chairman of the SNC. Through perfidious tricks, they have tried to divert the responsibility of the SNC from solving the questions of voluntary ceasefire, cessation of foreign military aid to Cambodian factions, dispatch of an SNC delegation to the UN General Assembly, and reconvening of the Paris International Conference on Cambodia to just the question of whether or not to accept Sihanouk and elect the chairman of the SNC.

It should be stressed that for the time being the key factor leading toward peace in Cambodia does not rest in the

person of Sihanouk. What needs to be done is to strive so that the already formed SNC can function immediately without waiting for Sihanouk, for the existence of this SNC is linked to the existence of the Big Five's framework document and to the existence of the Paris International Conference on Cambodia.

Our people welcome all truly good-will efforts and wish that the Cambodian problem can be settled politically and peacefully in order to bring an end to the nearly 12-year-old conflict and restore peace in Cambodia. We, however, energetically condemn and categorically oppose any attempt to use the political solution to dissolve the Government of the State of Cambodia and bring about a regime with the genocidal Pol Pot clique in tow. Our people are determined to defend our administration, which has defended and is defending the peaceful life of the people, which is preventing the recurrence of the genocidal regime, and which, together with all peace- and justice-loving progressive forces the world over, is trying to build genuine peace for our beloved motherland, thus contributing to peace and cooperation in the region and the world.

Report on Military Activites Along Border

BK2611061890 Phnom Penh SPK in English 0451 GMT 26 Nov 90

[Text] Phnom Penh SPK November 26—In the week to November 17, the government troops killed 74 enemy troops, captured seven, and forced 23 others to give up their arms in operations against the enemy's sabotage activities along the northwestern border areas.

The government troops also seized 79 assorted guns, 30 mines, 2,450 packages of TNT, two walkie-talkies, two pairs of binoculars, and a quantity of other war materials.

In that time, enemy artillery units fired hundreds of shells on several border areas in the provinces of Battambang, Siem Reap-Oddar Meanchey, and Banteay Meanchey.

Tie Banh Promotes Navy Officers in Kompong Som

BK2411084390 Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Nov 90

[Text] A ceremony was recently held under the chairmanship of Comrade Tie Banh, member of the Party Central Committee Political Bureau, vice chairman of the Council of Ministers, and defense minister, in Kompong Som City to confer decorations and ranks of the Council of Ministers on 14 officers of the Defense Ministry's Navy Department. Among them, four were promoted to the rank of captain, six to that of commander, and four to that of lieutenant commander.

Present on the occasion were comrade secretaries of the party committees of Kompong Som City and Kampot Province and their deputies, representatives from various services and offices in the city, and several cadres and combatants from the Navy Department.

Taking the floor, Comrade Tie Banh highly praised all the heroic cadres and combatants of the Navy Department for their efforts to achieve victory over the enemies in recent battles in Kompong Thom Province. He pointed out that our present task to fight and crush the enemies, who attempt to destroy our people's peaceful life, remains arduous and complicated. We have, however, scored numerous successes since the enemies began attacking us: Wherever they are present, we have successfully fought and crushed them on a timely basis. But the enemies have continued their obstinacy to overthrow us with their military forces as well as their maneuvers at the negotiating table. We have the goodwill to reconcile, but the enemies have destroyed the recent meetings, causing them to bog down.

The comrade urged all the cadres and combatants of the Navy Department to strive to further vigorously heighten their combat spirit with a view toward counterattacking and decimating the enemy, particularly in the coming dry season.

SRV-Phnom Penh Troops Routed in Siem Reap

BK2711012290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 26 Nov 90

[Text] On 14 November, the Vietnamese enemy aggressors and their puppets marshalled 500 troops from Siem Reap and Banteay Srei Districts in Siem Reap Province in an attempt to retake Sre Noy Commune from us. They were ambushed, routed, and forced to beat a hasty retreat behind their lines. We killed 12 enemy soldiers and wounded 30 others, and we destroyed 13 B-40 rocket launchers and five AK rifles and seized some war materiel.

Indonesia

Suharto Meets Emir of Kuwait's Special Envoy

BK2711112190 Jakarta ANTARA in English 0949 GMT 27 Nov 90

[Text] Jakarta, Nov 27 (OANA/ANTARA) - President Suharto, in his meeting with Yahya Fahd al-Sumit, a special envoy of the Emir of Kuwait, here Tuesday, said that Indonesia supported efforts, including by all means if necessary, to liberate Kuwait as long as the efforts were in the framework of the UN resolutions.

After meeting the head of state to deliver a written message of Emir Shaykh Jabir al-Ahmad al-Sabah, Kuwait's Housing Minister Fadh al-Sumit told the press at the Kuwaiti Embassy that he and President Suharto exchanged ideas on the current tense situation in the Gulf.

Refusing to disclose the content of the message, the Kuwait special envoy said he was very grateful to Indonesia for the supports given to his country since the Iraqi invasion of Kuwait. He added that his country still asks for continuing supports from Indonesia, the biggest

Muslim-majority country and the most likely next chairman of the non-aligned movement.

He quoted President Suharto as saying that if a country had to choose between peace and independence, the latter is more needed even if one has to ruin peace in order to obtain the independence. 'But, we (he and President Suharto - ed.) would like to avoid any war if possible. We are seeking peaceful solution,' he said, calling President Suharto as an experienced, wise and mature head of state.

'Kuwait is now under foreign occupation but not conquered. And our liberation is sure,' he stated.

The United Nations within couples of days is expected to issue a resolution calling for the unconditional Iraqi withdrawal from Kuwait and probably allowing the possible use of force against Iraq, he added.

Indonesia has so far opposed to the Iraqi invasion of Kuwait, but rejects the Saudi Government's request to send Indonesian troops to join multinational forces in Saudi Arabia except under the auspices of the UN. In line with the UN resolution on the economic embargo on Iraq, Indonesia has stopped importing oil from Iraq.

Government Blacklists Foreign Journalist

BK2411102390 Jakarta ANTARA in English 0725 GMT 24 Nov 90

[Text] Jakarta, Nov. 24 (OANA/ANTARA)—The Indonesian Government has put Steven Erlanger in its blacklist for writing a story that insults President Suharto in the INTERNATIONAL HERALD TRIBUNE (IHT). The decision to put him in the blacklist has been a result of coordination among the offices concerned, Information Minister Harmoko said after reporting to President Suharto here on Saturday.

Harmoko said that there was no need for foreign journalists working in the country to be afraid or doubtful in conducting their journalistic jobs. Please do your job. The government will act only against those who are wrong, he said.

Harmoko said the government would not ban the circulation of the newspaper although its distributor, NV Indoprom, has officially returned its right to distribute the newspaper. He said NV Indoprom or other companies wishing to distribute the newspaper again had to apply to the Ministry of Information.

Presently, there are 47 foreign newspapers and 120 magazines in circulation in the country.

Minister Harmoko said he had reported to President Suharto the preparations for the inauguration of the 1990-1993 new members of the Press Council on November 28.

Members of the Press Council consist of elements from the government, the Indonesian Journalists Association (PWI), the Association of Graphic Press, the Association of Newspaper Publishers (SPS), the Association of Indonesian Advertisement Companies, public figures and communication experts.

Officials who will automatically become members of the press council are the minister of information, the secretary general of the Ministry of Information, the director general of press and graphics, the junior attorney general for intelligence and the director general of sociopolitical affairs of the Ministry of Home Affairs.

Members of the Press Council from the Indonesian Journalist Association (PWI) include PWI General Chairman Sugeng Wijaya, Atang Ruswita and Muhammad Yazid (the Bureau Chief of the ANTARA News Agency in Medan and the head of the North Sumatra chapter of PWI).

The executives of the Association of Newspaper Publishers who become members of the Press Council are among others Zulharmans, Jacob Utama, Handoyo Nitimiharjo (the managing director/editor in chief of the ANTARA National News Agency).

Members of the Press Council from the community and communication experts include Dr. Basyuni Suriamiharja and Nurhadi Purwosaputro (the Head of the Armed Forces Information Center). Harmoko said about 50 percent of the members are new faces.

Laos

Further Reportage on Progress of SPA Session

BK2611154990 Vientiane Domestic Service in Lao 1200 GMT 26 Nov 90

[Text] The fifth plenary session of the 2d Supreme People's Assembly [SPA], which opened on 24 November, continued its work in earnest. As of 26 November it was studying the drafts of all laws put forth at the meeting.

In the first three days of the session, participating delegates heard the readings of the drafts of four laws from representatives of the Council of Ministers—Justice Minister Kou Souvannamethi who proposed the drafts of the Lao Nationality Law, the Family Law, the Noncontractual Obligations Law, and the Law on Civil Proceedings; and Boutsabong Souvannavong, deputy minister of economy, planning, and finance, who proposed the drafts of the Insurance Law, the Labor Law, and the Enterprise Accounting Law.

After the two personalities proposed the drafts of the said laws, SPA delegates earnestly studied, analyzed, and made thorough comments on each article of the draft legislation so that the meeting participants would be able to discuss and vote to endorse the new laws later.

The contents of each new draft law clearly reflect the reality of the current Lao society. For example, with

regard to the Lao Nationality Law, at a time when our country is entering the transitional period, the nationality issue and citizens are always closely related to one another. This draft law discusses the basis in acquiring and losing Lao nationality, the nationality of newborn infants, the principles in granting Lao nationality, and other issues.

The Family Law discusses regulations on family relations arising from voluntary marriage on the basis of equality between man and woman, the protection of interests of mothers and children in family life, the termination of marital status, and the connection between the families of Lao citizens and foreigners, aliens, and overseas Lao residents.

The Noncontractual Law is part of the Civil Code that reflects the relations between legal offenses and damages caused by such offenses. This law touches on the responsibilities arising from deeds committed by individuals or the state and organs under their management. It also deals with undertaking work in place of other persons and accepting material property to be under one's own management.

The Law on Civil Proceedings discusses the correct and prompt trials in and the reaching of verdicts on civil cases in order to protect the rights and interests of the state, state enterprises, and other entities. The Civil Code will become meaningful only when the Law on Civil Proceedings is enacted. This is because the two laws are closely related.

The Insurance Law reflects the reality in our social life. It calls for the insurance of property and business operations so as to insure income, transportation that protects goods and passengers, and one's own life for the benefit of the family and relatives of the insured parties.

As for the Labor Law, it discusses the duty of balancing labor relations and enhancing all capabilities of labor. The state must ensure that both laborers and their employers share equal interests.

The Enterprise Accounting Law discusses the requirement for all operators of any small or large business to keep and maintain account books, which will be very useful in reflecting the activities of those businesses in each period so that they can be reviewed by the operators themselves. Books should also be maintained for the convenience of fulfilling the management purposes of outsiders, state administrative apparatuses, and the general public. This law will meet the demands of providing data and bookkeeping material for the benefit of business units in all sectors—the state economy, laborers, and all parties concerned, including investors, creditors, suppliers, and customers.

Recent Foreign Economic Relations Reviewed

BK2711075190 Vientiane Domestic Service in Lao 0000 GMT 25 Nov 90

[Feature article: "Foreign Economic Relations Work in Recent Years"]

[Text] In recent years our Lao People's Democratic Republic [LPDR] has received assistance, mainly in the form of loans, totalling more than U.S. two billion or an average of more than $90 million for each year, from foreign countries for use in building and developing the country. Some 55 percent of the foreign aid has been rendered by fraternal socialist countries, most of this by the Soviet Union and the SRV. The remainder has been given by governments of Japan, Sweden, Australia, EC member countries, France, the FRG, and international organizations, such as the United Nations Development Program, the Food and Agriculture Organization, the UNICEF, the World Health Organization, the United Nations Office of High Commission for Refugees, the Mekong Organization, the Narcotics Suppression Organization, and various nongovernmental organizations. In addition, the LPDR has received long-term loans, with low interest rates, from the World Bank, the Asian Development Bank, the International Fund for Agricultural Development, and some other international funds organizations.

These foreign sources of assistance have helped increase the national revenues of the LPDR. Some 85 to 90 percent of the total reserve funds are from the foreign assistance. More than 60 percent of our country's sources of revenues come from foreign countries and as many as 65 to 70 percent of the revenues for the building of infrastructures emanate from the foreign assistance under the forms of tools, machineries, goods, and funds for use in the implementation of various projects. In the previous years, we have completed the construction of a number of infrastructures, such as routes 9, 10, 6, and 7, Nam Kading bridge, Nam Seun bridge, Sedon bridge, and Nam Pheun bridge. Those tools, machineries, goods, and funds have also been used in the restoration and construction of production and service bases, such as the Nam Ngum hydroelectric works, Cheng Kabao wharf, Laksi wharf, and Pak Beng wharf in Luang Prabang Province, the wood processing plant, plywood factory, the Nabong, Latsen, and Nam Souang livestock breeding stations, the space communications and the national radio stations, and the development projects in the educational, cultural, public health, and other fields.

In the recent past, the foreign aid has not been effectively managed and used. The situation in which there were more demands than supply and in which the supply was used in an inappropriate way emerged. Besides, management cadres were still too young and they lacked skills and experiences. Some of them even lacked appropriate qualifications. These cadres, with a spirit of cupidity,

then practiced corruption and spent money in an extravagant manner. As a result, as many as 30 percent of the foreign aid have been wasted for nothing.

In implementing the immediate direction and plan on the foreign economic relations and cooperation in order to widely draw foreign aid, it is necessary for us to broaden joint ventures with foreign countries on the basis of mutual benefits and the respect for one another's independence and sovereignty. We must also pay attention to building technical cadres, adopting and implementing appropriate rules, relations, and laws on the management work in order to gain fruitful achievements in the economic relations and cooperation with foreign countries in accordance with the line and policy of the party.

Refugee Homes in Sayaboury Built With UN Aid

BK2711110390 Vientiane KPL in English 0902 GMT 27 Nov 90

[Text] Vientiane, Nov 27 (KPL)—The district administration of Phiang, Sayaboury Province, has recently approved the plan to build 26 houses for more than 400 Lao refugees who have voluntarily repatriated from Thailand. The construction plan receives over 10 million kip worth of contribution from the United Nations High Commissioner for Refugees (UNHCR).

Development Projects Completed With Foreign Aid

BK2711111590 Vientiane KPL in English 0907 GMT 27 Nov 90

[Text] Vientiane, Nov 27 (KPL)—Many major projects for national socioeconomic development supported by the state fund and international assistance have been achieved within this year to honour the 15th national day celebration.

The projects include the 1,780,000 Australian dollars earth satellite station "Vista" funded by Australia, the Lao-Soviet heavy vehicle maintenance workshop in Savannakhet, the Lao-Soviet funded Sedon bridge in Pakse, and the 582-million yens Japanese funded bus service facilities, including terminal and a maintenance workshop, in Vientiane Municipality.

In addition, much effort was made by various business undertakings to achieve their respective business facilities involving the Lao textile factory, and the morning market buildings in the capital.

Also in full swing are the construction and expansion of various-sized irrigational facilities in different parts of the country, the construction of Seset hydro-power plant, Road 13 north and south, Roads 8 and 9 and many other projects.

Secretary Receives Outgoing Soviet Ambassador

BK2711093490 Vientiane KPL in English 0859 GMT 27 Nov 90

[Text] Vientiane, Nov 27 (KPL)—The outgoing Soviet ambassador to Laos, Mr. Yuriy Mikheyev, yesterday bade farewell to the secretary of the Lao People's Revolutionary Party Central Committee [LPRP CC], Mr. Somlat Chanthamat.

The LPRP CC secretary praised the ambassador's efforts to consolidate the all-round cooperation between Laos and the Soviet Union on mutual benefit basis.

Mr. Yuriy Mikheyev has assumed this post since October 31, 1986.

Official Receives PRC Women's Union Delegation

BK2711093290 Vientiane KPL in English 0857 GMT 27 Nov 90

[Text] Vientiane, Nov 27 (KPL)—The president of the central Lao Front for National Construction [LFNC], Mr. Phoumi Vongvichit, granted here yesterday morning an audience to a delegation of the Chinese Women's Union led by its vice president, Mrs. Yan Ying, who is also a member in the Chinese People's Political Consultative Conference.

During the cordial discussion, the LFNC president welcomed the delegation's visit to Laos by the Chinese delegation which he qualified it as having served the gradual development of friendship ties between the Lao and Chinese peoples and Lao and Chinese women in particular.

Philippines

Senators Give Opinions on Proposed Bases Treaty

HK2711042990 Manila THE MANILA CHRONICLE in English 27 Nov 90 p 1

[By Johanna Son]

[Text] Most senators rejected a key proposal of the base negotiators for a five-to-seven-year transition period for Subic Naval Base, indicating that such a treaty would be defeated in the Senate.

The senators' latest position was gleaned from a straw vote conducted by Senate President Jovito Salonga last week, which showed that 12 senators objected to the formula suggested by the Philippine panel.

Nine votes are needed to block ratification of a new treaty. The latest count means that there are more than enough votes to defeat a new treaty that contains a five-to-seven-year arrangement, although Sen. Agapito Aquino called the vote "a non-binding survey."

At a senators' caucus last night, the 12 who remained opposed to the extension stood their ground, although the chamber has not yet reached a formal position on the bases.

After discussing "many contentious issues," they set a third briefing on Thursday with American affairs chief Raul Rabe, with whom they also met over breakfast yesterday.

After the caucus, Sen. Orlando Mercado told reporters it may not be wise to telegraph the Senate's position to the Americans. Salonga had originally called the caucus to forge the chamber's "tentative" position.

Earlier. Sen. Wigberto Tanada said the straw vote meant that the chamber remained unconvinced about striking a deal with the U.S. and would also reject a supposed proposal that the Philippines get $200 million a year in compensation.

Tanada said Salonga passed around a sheet of paper seeking senators' opinions and the panel's proposal, after Foreign Secretary Raul Manglapus had briefed them last week. Eleven senators said they rejected the five-to-seven-year formula. The number would reach 12 if Salonga's vote is counted.

Salonga dismissed as "old hat" assurances that the Philippines would still have "sovereign control" over Subic and vital areas of Clark Air Base, with the U.S. having special access. "We regained our sovereignty a long, long time ago."

Only Sen. Vicente Paterno voted for the transition period. The vote did not include Senators Ernesto Maceda, Leticia Shahani and Edgardo Angara, who have publicly said they favor a five-year transition, and Sen. John Osmena.

The 11 who voted for the bases' pullout were Senators Joseph Estrada, Juan Ponce Enrile, Teofisto Guingona, Agapito Aquino, Aquilino Pimentel, Victor Ziga, Rene Saguisag, Alberto Romulo, Sotero Laurel, Orlando Mercado and Tanada. Most of them also authored a resolution calling for the bases' pullout by 1991.

The senators also criticized the bases panel for its lack of preparedness.

Enrile called the panel's game plan "topsy turvy," and Shahani suggested that the government have full-time negotiators when the third round of talks begin next month.

Sen. Ernesto Herrera said the negotiating panel should be "replaced' if it was willing to settle for $200 million a year in compensation. He said the Philippines should accept no less than $1 billion a year.

Sen. John Osmena balked at a $200-million deal, saying: "Ano tayo, carinderia?" ["what are we, an eatery?"]

The U.S. has been looking for alternative sites for its bases here.

Brunei said it was interested in hosting the bases, but its deputy minister, Dato Paduka Haji Bin Hasi Mohd Daud, said his government has not been formally asked by the U.S. Daud said the presence of U.S. military facilities in the ASEAN region contributes to the peace and stability in the area.

But an official of the U.S. embassy in Manila said the U.S. is not considering "additional access beyond Singapore. We just want to maintain a healthy and vigorous relationship with other ASEAN countries," said the official, who refused to be named.

The U.S. has only "a modest level of activity in Brunei," the U.S. official said.

Base Workers To Get 18.6% Pay Increase

HK2711044590 Manila THE MANILA CHRONICLE in English 27 Nov 90 p 3

[By Diana Mendoza]

[Text] Wages of 22,000 Philippine workers in American military facilities will be raised by an average of 18.6%. It means a minimum monthly increase of P1,116 for each worker. The raise, which is more than the 18.5% the Philippine base workers had sought, will be implemented retroactive to Oct. 1, 1990.

In a communique, the U.S.-Philippine Joint Labor Committee (JLC) said: "Efforts to eliminate the wage increase restrictions imposed by U.S. Appropriations Act of 1990 have been successful."

The wage increase provides an average of 15.6% raise for white collar jobs and an average of 21.6% raise for blue collar jobs, or a total overall average of 18.6%. The wage adjustments resulted from the wage survey conducted in July 1990.

The implementation of the wage increase last Oct. 1 was withheld because of legal impediments caused by a provision in the Act that pegged a ceiling to wage increases for employees of the U.S. Department of Defense.

This promoted the 22,000-strong Federation of Filipino Civilian Employees Associations (FFCEA) to go on a strike last Oct. 1 to 5, which was lifted after it was assured by American base authorities that the U.S. Congress would grant its demands.

The dispute was finally settled after the Act, which included an amendment excluding the foreign national employees of the U.S. in the Philippines and Turkey from the wage increase ceiling, was passed by the U.S. Congress on Oct. 15. It was signed into law by U.S. President George Bush after disagreements with the U.S. Congress.

JLC co-chairman Bienvenido Laguesma said the amended versions of the Act for fiscal year 1991 now "contain language that allows an exception for workers at the U.S. military facilities in the Philippines from restrictions on the amount of annual salary increases for non-U.S. employees of the Department of Defense who are employed overseas."

The FFCEA, the sole bargaining agent of the base employees, said that base workers will be receiving a monthly increase of P1,116 based on their average income of P6,000 a month.

FFCEA president Roberto Flores and John Perez, labor adviser of Rear Admiral Thomas Mercer, representative of the commander-in-chief of the U.S. Pacific Command in the Philippines, said the new hourly rates will be used starting with the pay period beginning Dec. 2, 1990. He said the retroactive pay covering the period of Oct. 1 to Dec. 1 will be given at a later date in a separate check due to "voluminous computations and administrative works involved."

The administrative adjustment will be made in late December or early January 1991, when the necessary funds are available.

Aquino on Support for UN Security Council Steps

HK2611111190 Manila Radio Veritas in Tagalog 0900 GMT 26 Nov 90

[By Gabby Salcedo from Malacanang]

[Excerpts] President Corazon Aquino stressed again today she would support any steps taken by the UN Security Council regarding the continued tension in the Middle East, including the possibility of the Security Council's implementation of a deadline for Iraq to leave Kuwait or face war. [passage omitted]

President Aquino, through Press Secretary Tomas Gomez III, said that all eventualities or possibilities that may take place in the Middle East are continuously being studied by the National Security Council and Cabinet Cluster E or the group responsible for security and political affairs in the country. This is brought about because the possibility of war could result in Philippine casualties in the Middle East. [passage omitted]

Here is President Aquino's statement as read by Press Secretary Tomas Gomez III.

[Begin Gomez recording in English] If the Security Council does not declare war as a last resort it can take enforcement action by armed force under the UN Charter. This has not happened up to now and we hope even at this hour that such a course can still be averted. As member of the United Nations, we abide by its resolutions. Due to limited resources however, we can only send a medical team to assist in humanitarian work in this Gulf crisis. Plans for every eventuality have been worked out, Cabinet Cluster E and the National Security Council staff conitnue to meet on this, updating plans with every change in the situation. [passage omitted]

President Aquino is confident that our people will rise above our present difficulties and turn our economy around. We have called for structural reforms to help bring this about. Debt relief will be pursued as part of this strategy.

The recent changes in command in the Armed Forces in Mindanao are part of our continuing program of improving their effectiveness to carry out their constitutional duties and functions. [end recording]

Oil Import Bill for Jan-Sept Reported

HK2711052090 Manila BUSINESS WORLD in English 27 Nov 90 p 1

[Text] The country's oil import bill for the first nine months of the year soared to $1.326 billion, almost equal last year's total oil importations of $1.3 billion, according to figures from the Officer of Energy Affairs (OEA).

This was brought about mainly by increased energy demand exacerbated by the tremendous increase in world market prices due to the mounting tension in the Persian Gulf.

Based on the OEA report, average prices of crude for September shot up to $28.69 per barrel, up by $9.05 from the previous month's $19.64 per barrel. Last year, crude cost for September was pegged at $16.02 per barrel.

The total volume of crude purchased in January to September went up by 11% to 69.922 million barrels from the previous year's 62.744 million barrels.

In spite of the energy conservation measures, domestic consumption went up by 6.4% to 65.2 million barrels from the 61.3 million barrels consumed last year indicative of a heightened energy demand.

Of this, fuel oil accounted for 35% or 23.04 million barrels followed by diesel with 19.42 million barrels.

The oil firms have been scrambling for their dollar requirements which have doubled since the Iraq invasion of Kuwait last August 2.

Oil executives explained that the reasons for the increased demand for dollars are not only the increased crude costs but the cutting of their credit lines. Because of the dollar-sourcing problems and inadequate credit lines, oil importations for November and December are expected to drop by an average 21%, based on the oil firms' projected crude oil importations submitted to the Energy Regulatory Board. [ERB]

However, the projected reduction in crude imports may take its toll on the country's oil inventory to 59 days by the end of the year from the present 60 to 70 days. Nevertheless, if the 10% fuel consumption cutback will be strictly observed, the oil supply can still be stretched to 65 days, industry sources said.

IMF Said Dissatisfied With Economic Program

HK2311061390 Manila THE MANILA CHRONICLE in English 23 Nov 90 pp 13, 15

[By Arleen Chipongian and Johanna Son, staffmembers]

[Text] Negotiations on a new agreement with the International Monetary Fund (IMF) is headed for delay as the Fund is dissatisfied with the economic program presented by the government through 1992.

Central Bank Governor and debt panel member Jose L. Cuisia Jr. said yesterday the IMF wanted "firmer figures" particularly on the fiscal program, noting that a major issue in the discussions was the ballooning deficit of the public sector.

Cuisia said no progress had been made on the negotiations, but added he was "cautiously optimistic" an agreement would be reached before year's end.

In a meeting with legislators yesterday, the seven-member IMF team led by Ulrich Baumgartner, the Fund's Asian desk chief, expressed reservations over the Philippines' budget deficit reduction program, saying that portions of it—particularly on new taxes—remained uncertain.

Sen. Vicente Paterno, chairman of the committee on economic affairs, said IMF officials were looking for "hard" or concrete reforms by government to achieve its target of reducing by P [Philippine peso] 55 billion the projected public sector deficit of P89.4 billion in 1991.

The IMF team said it was confident that the government could reduce the projected deficit in 1991 by only P22 billion.

The remaining P33 billion was supposed to be covered by increasing revenue collection, imposing new taxes and proceeds from the alien legalization program and the privatization scheme. But Congress is generally against new taxes and the Executive has consistently failed to achieve revenue targets, putting into doubt the success of the deficit reduction program.

Paterno added that the IMF was "kind of confused" because the deficit reduction program was "not being implemented in the way that it was reported."

Fund officials were likewise concerned about the slow progress on the 1991 budget bill in Congress, saying that they were waiting for concrete economic signals to be included there.

Official documents showed that assumptions in the proposed Philippine program are a 3.4

growth rate for this year, 2.5

in 1991 and 4

in 1992.

Inflation will remain high with prices of consumer goods rising 13.5

this year, 14

next year, only to slow down to 10

in 1992.

On the exchange rate, the country's monetary authorities are committed to defend the peso against the U.S. dollar as the program showed that the peso-dollar rate would stand at P28.50:$1 in 1991 and would be allowed to depreciate to P30:$1 in 1992.

The delay in the IMF negotiated Philippine Assistance Program will be further delayed. Slated to be held annualy since it was launched in 1989, the session will not push through this year because the international donor community wants the Philippines to conclude its new economic stabilization program with the IMF as a prerequisite for more commitments of fresh loans and grants which amounted to $3.5 billion during the first pledging session held in Tokyo.

Cuisia also said that the IMF was concerned ever how the country will close the gap through a combination of improved revenue collection efficiency and cuts in government spending.

"They want firmer revenue measures, they want to know what revenue measures will come up to be able to reduce the gap," Cuisia commented when asked if the IMF is pressing for new taxes.

Another ranking economic official yesterday also commented tht the IMF found the programmed targets "too soft." The fund mission, headed by its director for Asian affairs, Ulrich Baumgartner, are apparently not satisfied with the revised fiscal program where this year, the projected deficit of P62 billion will be reduced by P8 billion.

IMF Supports Plan for Higher Taxes on Wealthy

HK2711050590 Manila THE MANILA CHRONICLE in English 27 Nov 90 p 3

[By Johanna Son]

[Text] The International Monetary Fund (IMF) agrees that the Philippine government should tax the rich first before the poor in an effort to raise revenues, Senate President Jovito Salonga said yesterday. He said that taxing the rich and their "ostentatious expenses" was a "progressive" means of taxation as he had proposed in a bill pending before the Senate.

"Let me clarify that the IMF agrees that we should tax the rich," he told reporters after meeting with Fund officials yesterday morning. "Mahirap naman yung mahihirap na naman ang bubuwisan natin. ["It would be more difficult to tax the poor again"] Instead, we should monitor and tax the income of the rich."

Those who met with Salonga were Ulrich Baumgartner, head of the IMF review team and Ted Evans, IMF director for the Philippines as well as Philippine debt negotiators Finance Secretary Jesus Estanislao and Central Bank Governor Jose Cuisia.

The government is hard-pressed to choose between raising taxes or cutting expenditures to meet its goal of reducing the 1991 public sector debt deficit by P55 billion. But members of Congress are wary of the political cost of imposing new taxes during an economic crisis.

Definitely, however, "the government should cut its expenditures," Salonga said. He refused to reveal details of his discussions with the IMF officials which followed a series of meetings with senators last month. "But what I can say is that Filipinos should be able to take some hard decisions if we want to be aided by the international community," Salonga said.

Sen. Vicente Paterno, who arranged the meeting of IMF officials with his peers, reiterated that the failure to bring down the 1991 deficit to a manageable level of P55 billion would cause "hyperinflation." The projected public sector deficit for 1991 is P89.4 billion but the government is now trying to work out with the IMF realistic way of reducing it to P55 billion.

"In the long run, it is good for us to keep the budget deficit to a manageable level," said Paterno, chairman of the Senate economic affairs committee.

Enrile Proposes Dollar Shortage Control Plan

HK2711051590 Manila BUSINESS WORLD in English 27 Nov 90 p 2

[Text] A five-point plan to curb the current dollar shortage was proposed yesterday by Senate Minority Leader Juan Ponce Enrile.

At the same time, he called on the Administration to be more serious in addressing the problem of a huge budget deficit caused by senseless and extravagant spending.

Speaking before the Rotary Club of Makati South at the Manila Peninsula Hotel, Sen. Enrile said aside from devaluing the peso against the dollar, Government should:

—institute currency control which was done in Taiwan, Korea and Japan;
—strictly enforce stringent import controls by allowing the free entry of raw materials and banning the inflow of non-essential items and finished products;
—allow exporters to retain their receipts which, in turn, will force importers of raw materials to find export markets for their finished products and increase the inflow of foreign exchange;
—impose a ban in unnecessary foreign travels; and
—allow the free entry of foreign exchange through, among others, tax exemptions "as long as it is deposited in the bank and is not withdrawn except when used for business in the Philippines."

Sen. Enrile chided the different economic statistics being issued by concerned agencies of Government "which gives us a pretty good idea of how really bad the economy is going these days."

Foreign Investment

The lone opposition member in the Senate also called for the liberalization of the foreign investments policies of the government to attract foreign investors.

Incentives for foreign investments should at least approximate those offered to local investors and foreign investors should be allowed to own the industrial sites they use for their businesses.

Of course, he said, the first incentive foreign investors require was a peace and order situation which will assure them that their investments are safe.

And the bottom line, he said, was that before investors come in they would first determine whether there was political stability.

They would need, he said, a competent and effective leadership in the country whose policies are consistent and predictable.

Expenditures

Regarding fiscal restraint, he questioned the continued huge allocation for travel, transportation services, discretionary and representation allowances, purchase of equipment.

Mr Enrile said the Government should "make up its mind" to curb its extravagant allowances and "that omnibus, carry-all and anything goes expense qualification notoriously known as 06 or other services, the government could save billions of pesos," he said. [sentence as published]

Travel expenses in 1989 amounted to P1.285 billion, the senator said. In 1990, it went up to P1.596 billion and for 1991, the proposed travel expenditures total P2.099 billion, he added.

Discretionary expenditures for 1989 amounted to P176 million, P199 million in 1990 and in 1991 it will be P183 million, while representation expenses in 1989 totalled P138 million, P147 million in 1990 and is expected to amount to P159 million in 1991, he said.

As for other services or the socalled 06, where public officials can hide "almost any expense which cannot be justified under a specific expense classification," the Government spent P8.062 billion in 1989, P7.672 billion in 1990 and will total P8.487 billion in 1991, the opposition leader said.

"The proposed P302 billion budget for 1991 is of course under review and efforts are being made to reduce it to

the same level as the 1990 budget," he said. "But from the figures I have cited, we can still expect the classifications mentioned will still carry figures in the billions of pesos."

Ramos Escapes Death From Helicopter Malfunction

HK2711084390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Nov 90

[Text] For the fifth time, Defense Secretary Fidel Ramos escaped death when the Huey helicopter with tail number 717 in which he was flying experienced transmission trouble while in the area of Canlubang, Laguna, at 1100 this morning. Secretary Ramos, along with 10 others, came from Batangas to attend a peace and order council meeting in the province. According to Major Salazar and Captain Giamellion, Ramos' pilots, the transmission was malfunctioning and oil started to leak. The two said the helicopter would have crashed had they flown much longer.

Rightist-Communist Alliance Launches Attacks

HK2711055390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Nov 90

[By Restie de Quiros]

[Text] The RAM-SFP-CPP-NPA [Reform the Armed Forces Movement-Soldiers of the Filipino People-Communist Party of the Philippines-New People's Army] alliance launched attacks in Cagayan Valley, allegedly as a prelude to their plan to launch pocket rebellions in remote areas in the country. This was based on a report reaching Camp Aguinaldo this afternoon.

According to military officials, the sporadic attacks were the first major field offensives carried out by the two unified rebel forces this year. This attack by the two rebel groups occurred a week after officials of the Armed Forces of the Philippines revealed their discovery of a plan by the joint rebel groups to launch pocket rebellions against the present government in remote areas of the country. It is recalled that based on the military findings and before the rebels carried out their first major field attacks, the uprising will be launched in the Bicol region, Ilocos, and in the Cagayan Valley anytime within this week until 10 December. According to the report reaching Camp Aguinaldo, the rebels launched the attacks last Saturday. The rebels took control of a military communications relay station, a sugar mill, a logging firm, and ambushed a group of government soldiers who responded to the rebels' raid. The report did not state the number of casualties in the incident. It was learned that several important pieces of equipment were destroyed and several radio sets owned by military personnel were taken away.

The attack occurred in the towns of Enrile and Solana, near the boundary of Kalinga-Apayao. It was reported that about 30 armed men wearing fatigue uniforms went into barangay Roma, Enrile riding in a jeep and other vehicles. The group introduced themselves as members of the RAM-SFP under the leadership of a certain Colonel Aldaba. They swiftly captured the Roma detachment, the military communications relay station in the Cagayan region, and overran a security force in the area. After carting away weapons and equipment, including radio sets, the rebels burned the detachment. The group also captured five soldiers, disarmed but released them later.

In this connection, government troops launched a pursuit operation. It is known that a fight is still raging between the two groups. It is also learned that while the rebels took control of the relay station, another rebel group raided the sugar company located between Enrile and Cagayan, whose capital is Tuguegarao. The rebels stole farm machinery and radio equipment from the sugar mill, then set it afire. It is recalled that several rebel military officials announced they will launch pocket rebellions to oust the present government.

Communists Said To Raid Three Towns Killing 27

HK2711052490 Manila PHILIPPINE DAILY GLOBE in English 27 Nov 90 p 1, 6

[By Dionisio L. Pelayo, Noemi Alcala & Ritchie Salloman]

[Text] At least 27 persons were killed when communist rebels ambushed a military convoy in Barangay San Andres, Bunaoan, Agusan del Sur, yesterday morning, reports reaching the PC [Philippine Constabulary] regional command in Cagayan de Oro City said.

Of the 27 killed, one was a junior PC officer identified as Lt. Amel Hussein, and 16 were enlisted men. The rest were members of the New People's Army (NPA). The other victims have not yet been identified.

In Cagayan, communist rebels identifying themselves as members of the right-wing Reform the AFP [Armed Forces of the Philippines] Movement (RAM) attacked a military communication center in Enrile town and two big sawmills in two other towns Sunday.

Five soldiers manning the Roma Communications Station were captured by the raiders, but their names could not be immediately ascertained. The station's relay equipment, which costs millions of pesos, was destroyed, according to a report reaching Camp Crame.

Almost simultaneously, another band of rebels raided the Parvi Sawmill in Tuao town and the Casuco Sawmill in Piat town.

Two rebels were killed in an exchange of gunfire with a group of soldiers led by PC Sgt. Anacleto Tuliao shortly before the raid on the Parvi Sawmill.

In the Agusan ambush, two teams of PC officers and soldiers were in a military vehicle on their way to Butuan City from the headquarters of the 419th PC Company

when they were waylaid by the rebels in Barangay San Andres, about 300 kilometers east of Cagayan de Oro City.

The government troopers were hit in the first volley of gunfire. Their vehicle swerved off the road and rammed a tree. The troopers returned fire but were overpowered by the rebels.

The PC report said the rebels later hauled the bodies of the PC troopers into their damaged vehicle then set the vehicle on fire. A reinforcement team later retrieved the bodies of the victims.

The rebels were believed led by a certain Commander Aliwa of the NPA Buhawi Command, which operates in the borders of Agusan del Sur, Bukidnon, and Agusan del Norte.

The rebels were reportedly armed with sophisticated weapons, including a grenade launcher and .50-caliber machine guns.

The ambush was believed staged by the rebels in retaliation for a military operation that led to the death of at least 32 NPA rebels and the wounding of scores of others in a neighboring town in San Miguel, Surigao del Sur, last week.

In the Cagayan raids, Sergeant Tuliao and his companions were on board a jeepney bound for Solano, Nueva Vizcaya, when they were stopped by rebels at an illegal checkpoint near the sawmill.

Tuliao's group promptly opened fire, forcing the rebels manning the checkpoint to scamper away. An M-16 rifle, an M-1 Garand rifle, a combat pack and bullets were recovered by the soldiers.

But the main rebel group succeeded in setting fire to the sawmill's compound and equipment. Before they could flee, on board three trucks, however, PC-INP [Integrated National Police] troopers backed by a V-150 armored personnel carrier arrived and engaged them in a fierce fire-fight. One of the trucks overturned, forcing the rebels to flee on foot.

There were no casualties on both sides, but the troopers recovered firearms and sawmill equipment from the scene.

In the Casuco Sawmill raid, the rebels were able to take equipment but failed to set fire to the compound because government forces arrived just in time to drive them away.

Also on Sunday, Igmedio Mengalio y Gayo, a ranking official of the CPP [Communist Party of the Philippines] Eastern Visayas regional committee who has a P500,000 reward on his head, surrendered to Brig. Gen. Vicente Garcia, PC-INP regional commander.

Meanwhile, PC-INP authorities in Western Visayas yesterday vowed to step up their anti-insurgency campaign despite substantial damage wrought by typhoon Ruping to military facilities in the region.

Brig. Gen. Pedro Sistoza, Recom 6 commander, said hardest hit by the typhoon was the Antique provincial command, where P1.42 million worth of buildings, facilities and other equipment were damaged.

Also severely hit was the Negros Occidental PC-INP provincial command, where an estimated P510,000 worth of facilities were destroyed.

Sistoza said the regional command headquarters at Camp Delgado in Iloilo City also suffered considerable damage to its buildings and communication facilities. Other affected areas were the Iloito Metropolitan District Command and the Iloilo PC-INP headquarters.

Meanwhile, Rear Admiral Mariano Dumancas Jr., Navy chief, said a replacement landing craft to provide ferry services between Anda and Bolinao channel in Pangasinan was sent on November 17 in lieu of another craft that had bogged down.

The Navy dispatched the replacement craft to continue the transport and ferry services, the only way by which residents in the area can commute or transport their vehicles, goods and commodities to nearby towns and barangays.

NPA Rebels Killed in Quezon, Bicol Encounters

HK2711093290 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Nov 90

[By Benjie de Galicia]

[Text] Two encounters occurred in the Bicol Region and Quezon Province. The first one occurred in barangay Hubo, Pasacao, Camarines Sur, wherein troops from the 1st Infantry Battalion, 201st Brigade, Philippine Army encountered about 30 members of the New People's Army [NPA]. Two rebels were killed and were identified as Romeo Reyes, alias Comrade Omeng, and Danilo Campa, alias Comrade Enong. The second encounter occurred in barangay Itaog, Gumaca, Quezon, in which a group from Bravo Company, (221st) Infantry Battalion, headed by First Lieutenant Gary Gatdula and Sergeant Pugong, fought with the enemy for 15 minutes, resulting in the death of an NPA rebel who was identified only by his alias, Comrade Romy.

In a statement, General Federico Ruiz, Southern Luzon command chief, said his group has relentlessly enforced security operations to totally stop NPA atrocities, particularly in this part of the Bondoc Peninsula.

Meanwhile, let us listen to the Command Information Officer Jess Decena regarding the visit here yesterday by Chief of Staff General Renato de Villa. Jess, can you tell us of the events here in Southern Luzon Command yesterday?

[Begin Decena recording] During General de Villa's visit here at the Southern Luzon Command and in his dialogue with soldiers, he stressed the importance of the Philippine National Police bill, adding that its signing into law would strengthen our country's security and stability. [end recording]

Statistics Board Announces Growth, Spending

HK2711051190 Manila BUSINESS WORLD in English 27 Nov 90 p 1

[By Alex B. Reyes]

[Text] Economic growth recovered slightly in the third quarter as gross national product (GNP) expanded by 3.44% from the measly 1.59% rate in the second quarter, the National Statistical Coordination Board [NSCB] announced yesterday.

However, the rate was lethargic when compared to the 5.45% recorded in the same period last year and the 5.72% in the first quarter of 1990.

The NSCB said gross domestic product (GDP), which measures the nation's total output of goods and services less net factor income from abroad, expanded by only 2.88% in the third quarter versus the 0.89% growth in the second quarter.

For the first nine months of the year, GDP grew in real terms by 2.78% to total P80.432 billion at 1972 constant prices, while GNP growth was recorded at 3.58% or P80.618 billion. For the same period last year, GDP growth was 5.64% and GNP 5.44%.

Output expansion for the three quarters was once again consumption-led, as personal expenditures grew by 6.07% to reach P60.226 billion, slightly higher than the 5.36% rate in the previous year.

Government expenditures, which account for 9.5% of GNP, grew by only 4.20% which the NSCB attributed to the cost-cutting measures begun in the early part of 1990.

Government spending actually declined by 0.43% in the third quarter alone.

Investments

Reflecting the high-interest rate regime and lowered business confidence, investments, which account for 17.6% of GNP, increased by only 2.67%.

In previous years, the strong growth in investments or capital formation powered economic recovery, as evidenced by the 18.45% expansion from January to September last year.

Under investment expenditures, fixed capital formation grew by 12.23%, versus the 21.62% registered last year; construction went up by only 6.15%, as government construction actually declined by 3.27%, and outlays for durable equipment decelrated to 11.23% growth compared to the 28.77% posted last year.

The NSCB said sluggish growth in merchandise exports contributed to the 3.07% increase in demand for the country's goods and services, "poor performance" compared to last year's 14.62% increase, while growth in imports exhibited slower growth at 11.35% versus the 27.32% surge in 1989.

By industrial origin, the combined agricultural, fishery and forestry sector, which accounts for 25.5% of GNP, showed the effects of the long dry spell as the sector grew by 1.28%.

Output in the agricultural crops subsector contracted by 3.13%, while higher growth in the livestock, poultry and fishery subsectors as compared to 1989 helped make up for the lost production borne by the drought.

The industry sector, which accounts for 33.9% of GNP, expanded by 3.10% versus the 6.98% in 1989, as output in the manufacturing and construction subsectors were way below their performance in 1989.

Single Bright Spot

The one bright spot in the industry subsectors was the mining and quarrying subsector, which grew by 13.98% in the third quarter alone.

Manufacturing output reversed its 1.13% decline in the second quarter to eke out a 1.97% increase in the third quarter.

At 40.5% of GNP, the service sector posted a moderate expansion of 3.47%, almost half its 5.91% clip registered last year.

The NSCB said all service subsectors experienced deceleration, notably Government services which grew by only 0.59%, finance and housing which grew by 5.94%, and transport, storage and communications which went up by 3.80%.

The NSCB also noted that overall inflation rates, as measured by the GNP Implicit Price Index, showed an upward trend as it recorded double-digit growth of 13.00%. The comparative figure was 9.17% last year.

Thailand

Minister Calls for New Air Talks With U.S.

BK2311035490 Bangkok BANGKOK POST in English 23 Nov 90 p 28

[Text] The Thai and US aviation authorities should meet and work out their differences to pave way for a new air service agreement, Deputy Transport and Communication Ministry Permanent Secretary Mahidon Chantharangkun said yesterday.

Mr Mahidon, who was head of the Thai delegation which failed to convince the US to lift the limitation on Thai International, insisted that Thailand would not be at a disadvantage in the new round of air talks.

Thailand had long adhered to the open skies policy, he said, adding that it had granted 64 countries rights to increase flight frequencies.

In such a situation, he said, Thailand should have the right to demand a suitable number of flight frequencies. "It is not a problem even if THAI traffic rights should be less in volume, but THAI must be able—through negotiation—to increase the number of flight frequencies," he said.

Mr Mahidon's statement has led to confusion in the travel industry as the authority's position on the issue contradicted an announcement it made before the cancellation of the Thai-US air services agreement took effect.

In the past year the Thai aviation authorities had told the Government that it was important to obtain equal traffic rights from the US aviation authorities for THAI, and suggested that Thailand cancel the agreement should THAI not be given equal rights.

The Thai aviation authorities told the Government and the public that US carriers were operating over 38 flights a week to Thailand while THAI was unfairly treated as it was allowed to operate only four flights a week to Seattle via Tokyo.

The same Thai delegation was also lukewarm towards the US response during Prime Minister Gen Chatchai Chunhawan's official visit to the US earlier this year. US officials then said they were prepared to give more traffic rights to Thailand. However, the Thai aviation team branded the US response as conditional.

"But now the delegation is saying that THAI could do with fewer flight frequencies, with the right to increase through negotiation. I thought this was the message the US authorities tried to get across during Gen Chatchai's recent visit there," a travel industry source said.

In fact, he said, the Thai delegation's action on the issue clearly indicated that the Premier was wrong when he publicly announced on his return from the US that the American authorities had agreed to lift the limitation on THAI. When the Premier arrived back in Bangkok, the Thai delegation led by Mr Mahidon was supposed to iron out the details of the agreement with the US authorities.

U.S. To End Cigarette Trade 'Retaliation'

BK2311044990 Bangkok BANGKOK POST in English 23 Nov 90 p 17

[By Ponphimon Kanchanalak in Washington]

[Text] United States Trade Representative Carla Hills is scheduled to send a letter to Commerce Minister Amaret Sila-on today informing him that the US is terminating its 301 case against Thailand on cigarettes. The terms of agreement are outlined in Ambassador Hills' letter. The agreement was reached between the USTR and the Thai Commerce Ministry prior to the announcement.

According to informed sources, the agreement conforms to the obligations under the General Agreement on Tariffs and Trade (GATT) as spelled out in the GATT panel's report on the case last month.

Under the agreement, Thailand will open its market to American cigarettes and will give national treatment to American products—which includes excise tax rate and distribution. The US, in turn, will respect Thai law banning all forms of advertising and promotion of cigarettes.

In the letter, Ambassador Hills is to announce that because of Thailand's prompt compliance with the GATT's ruling, the US finds that Thailand's current policy and practices regarding the cigarette market is no longer unfair, unreasonable and unjustifiable. The three criteria are the justification under section 301 of the US trade law for trade retaliation.

There are still some issues which need further consultations but they will be dealt with outside the framework of Section 301. These issues are, for example, a public bonded warehouse, excise tax and tariff rates, and excise stamps.

On the warehouse issue, Thailand offered the US space at Klong Toey Port on a first-come-first-served basis. But the US has argued that the warehouse available was not equipped to handle cigarettes and needed extensive renovation. It therefore wanted more assurances from the Thai Government that the US will be granted the right to use the warehouse once it undertakes the renovation.

However, the Thai Cabinet early this week rejected the US proposal on the grounds that there already are facilities available and that it has never granted such privileges to any private sector. Nevertheless, Mr Amaret said in Bangkok that the Thai Government might consider relaxing some regulations, as permitted by law, on the three unresolved issues.

On the excise stamps issue, the US wants to print the stamps on packages at the point of production and pay when the cigarettes enter Thailand. The Commerce Ministry referred the USTR to the Finance Ministry to discuss such permission which will involve a verification system.

On the excise and tariff rates issue, the US wanted Thailand to lower the rates but was told by Thai negotiators that the rates conform to the GATT rule and apply across the board. If the US wanted to pursue the issue, Thailand said, the US should take it up with the GATT.

It is obvious that what the US got from Thailand out of the 301 cigarette proceedings was much less than the package the US obtained from Japan, South Korea and Taiwan.

With Japan, for instance, the US was able to pressure the Japanese Government to withhold its ban on television

advertising. In South Korea and Taiwan, the US won permission to advertise in magazines and the right to conduct point-of-sale promotion.

In hindsight, many experts agreed that the US, by taking Thailand the window of opportunity to avoid the similar heavy-handed pressure that countries like Japan, South Korea and Taiwan had to face when 301 cases were brought against them.

It is also interesting to note, experts pointed out, that Thailand's 301 case lasted longer than the previous three cases. The Japanese 301 case lasted less than a year before Washington was able to achieve its negotiation objective. The South Korean and Taiwanese cases lasted only a few months before the two governments complied with the US pressure. Thailand's case lasted a year and a half.

US Ambassador to Thailand Daniel O'Donohue recommended that the USTR take Thailand to the GATT to provide the Thai Government with justification to open the cigarette market without attracting a public outcry.

The US Embassy in Bangkok and the Thai Embassy in Washington as well as Thailand's chief cigarette negotiator, Permanent Secretary for Commerce Phatchara Itsarasena, all broached the idea of the USTR taking the case to the GATT.

Ambassador Hills herself has been inclined to the view that in principle any cases which seem to be covered by the GATT should be sent to the GATT. Ambassador Hills is known to attach great importance to the hope of a successful conclusion of the GATT's Uruguay round.

However, informed sources said the US might have misjudged in its expectation that the GATT's decision would be more in America's favor than the way it actually came out.

Much to the surprise of most observers, the GATT panel's ruling gave considerable weight to the health aspect of the cigarette issue. The panel ruled that any measures which Thailand chose to exercise which would discourage smoking would not be considered illegal by GATT as long as they were applied across the board and within reasonable bounds of the GATT rules. The GATT panel did not give the US the right to types of promotion that it had asked for and was hoping for.

One official close to the negotiations said it was ironic that the 301 case against Thailand might have raised health consciousness regarding the dangers of cigarette smoking in Thailand.

The Thai Government has adopted warning labels on cigarette packets. Currently, MP Surin Phitsuwan is sponsoring a bill requiring full disclosure of the ingredients of cigarettes, a measure that Canada used effectively to drive out American brands.

SRV Demands Large Fee for Former Thai Embassy

BK2711010090 Bangkok BANGKOK POST in English 22 Nov 90 p 7

[Text] Vietnam has demanded a substantial fee from Thailand for the return of the former Thai embassy in Ho Chi Minh City, seized after the communist takeover of South Vietnam in 1975.

Treaties and Legal Department Director-General Prachit Rotchanaphruk told the House Foreign Affairs Committee yesterday that Hanoi made the demand when Bangkok asked for the return of the former embassy last year to be used as a consular office. Hanoi wants a US$500 monthly maintenance fee for the last 15 years of its occupation of the embassy, he said.

The return of the former embassy was first raised by former foreign minister Sitthi Sawetsila during his visit to Hanoi last year. Follow-up talks were held between officials of the two countries, but the matter remains inconclusive.

Informed sources said Vietnam has used the former Thai embassy as the office of the Vietenamese chief-of-staff and also as an official guest house.

The sources said if Hanoi refuses to return the embassy and insists on payment of a huge maintenance fee, Thailand might consider taking over the land on which the Vietnamese Embassy is located, which is regarded as one of the most expensive pieces of prime land in Bangkok, and finding an alternative site for the embassy.

Ministry To Seek Embassy Return

BK2711144190 Bangkok Domestic Service in Thai 1200 GMT 27 Nov 90

[Interview with Foreign Minister Subin Pinkhayan by unidentified reporters on 27 November; place not given—recorded]

[Text] Thai officials will talk with Vietnam over the Vietnamese Government's announcement to seize the Thai Embassy in Vietnam. Foreign Minister Subin Pinkhayan told reporters about ways to solve the problem.

[Begin recording, in progress] [Subin] When we closed the embassy in Ho Chi Minh City, we removed our belongings. Now we want to open an office there. We have talked with Vietnam about using the old embassy, but Vietnam has demanded a maintenance fee. We are negotiating on this issue.

[Reporter] Will we agree to their demand?

[Subin] This is a legal matter. During the period when we closed the embassy, Vietnam issued a law confiscating private property as well as that of foreign governments. We still do not know how they will settle this issue.

[Reporter] Will we seize the land of its embassy if they refuse to return ours?

[Subin] We must treat them the same way they treat us. If Vietnam does not allow us to own land in its country, we will also not allow it to own land in Bangkok.

[Reporter's question indistinct]

[Subin] No, it will be an equal treatment.

[Reporter] Have we entered negotiations with Vietnamese officials?

[Subin] The officials are negotiating on this issue. When Vietnam decided to demand a maintenance fee, we told them that we had never asked it to take care of the embassy. We are negotiating on the legal points and the facts. [end recording]

Two Killed in Blasts in Cambodian Refugee Camp

BK2311161590 Hong Kong AFP in English 1551 GMT 23 Nov 90

[Text] Bangkok, Nov 23 (AFP)—Two Cambodian refugees died and another was badly hurt in explosions recently in a camp controlled by the Khmer Rouge near Thailand's border with Cambodia, relief officials said here Friday.

In another camp, all Khmer Rouge settlement leaders have been ordered back inside Cambodia by one of the faction's most feared guerrilla commanders following grenade incidents, they said.

The Beijing-backed Khmer Rouge, Cambodia's former radical Marxist ruling group, forms the military muscle of a guerrilla coalition fighting Phnom Penh's Vietnam-installed regime. The faction, which killed hundreds of thousands in Cambodia during its brutal rule between 1975 and 1979, controls three United Nations-assisted camps along the border. They are O'trao, with a population of over 14,000, Site 8, which houses 36,000, and Site K, with 9,000.

The two incidents in Site 8 last week, involving a grenade and a land mine, were attributed to personal feuds among camp inmates.

The officials expressed concern at the upsurge of violence both at Site 8 and the sprawling Site 2, controlled by the Khmer People's National Liberation Front, which houses more than 173,000 people. They hailed the sentencing Friday to three months in jail by Site 8's Khmer Rouge justice committee of a man who threw a grenade in a dispute with a relative last Saturday.

Meanwhile, at O'trao, the entire Khmer Rouge administration has been recalled by the faction's local area command headed by Ta Mok.

Earlier this month two Thai soldiers were slightly injured in a grenade attack at O'trao, and there has been chronic tension over the past few months at the camp.

According to relief officials, the incidents at O'trao may have resulted from Khmer Rouge irritation at moves by the United Nations, including an August headcount of the camp population and surveys on intentions of inmates in the event of repatriation to Cambodia after a settlement of the 12-year-old civil war.

Cambodia experts describe Ta Mok, 64, who is believed to have lost a leg from stepping on a mine a few years ago, as a law unto himself.

In Site 2, the relief officials reported a number of attacks this month by Cambodian bandits whose weapons included U.S.-made M-79 grenades.

UNHCR Role Faulted in Burmese Refugee Status

BK2311114590 Bangkok THAI RAT in Thai 22 Nov 90 p 3

[Editorial: "Refugee Status"]

[Text] Thailand is an independent country with sovereignty over every inch of its territory. It is governed by laws and regulations pertaining to Thai society. Those entering Thailand as illegal immigrants or under any other status are all subject to Thai law. The UNHCR [UN High Commissioner for Refugees] with its office in Thailand has no power to decide which of them are political refugees and which of them are not. It does not matter whether the certificates for refugees are studded with gold or diamonds. Thailand alone should decide on such status.

The Thai people have sympathy for the Burmese people who are fighting, with no hope within sight, against the oppressive rule for democracy. For this reason, the Thai people as well as their government are turning a blind eye on the political activities and movements of the young Burmese dissidents recently taking shelter in Thailand, assuming that it is the domestic affair of the Burmese people and that the struggle would be contained inside Burma.

Nevertheless, the group claiming to be Burmese students—despite the fact that only a small number of them are really students, resorted to activities which caused trouble for Thailand. It has become clearer now that they are using Thailand as a base of operations to overthrow the current regime in Burma. They engaged in air hijacking and bomb throwing against the Burmsee Embassy in Bangkok. It has become more convincing that they have moral and financial supoport from non-Burmese elements in Thailand. It is necessary for Thailand, therefore, to do as other countries, that means to arrest them all if their political struggle creates trouble for the host country.

The UNHCR office might be a saint in the eyes of the international community, but this is questionable for Thailand and the ASEAN bloc. There have been questions about the huge expenses for the hundreds of

thousands of boat people. In Thailand, people are questioning the integrity of those working at the UNHCR office—whether they are involved in corruption, and why do those selling goods to this organization have to be secretive in their dealings.

We are of the opinion that there is still a chance for the Burmese in Thailand, who call themselves students fighting for democracy, not having to be grouped in a holding camp if only they would refrain from creating more trouble for Thailand. They should contain their activities within the boundary of Burma, and not in Thailand. They should not think that non-Thai language papers here can serve as their mouthpiece in pressuring Thailand. It would be a mistake to think so and, in that case, they should either be kept in a holding camp or expelled.

Do not forget that Thailand has never recognised the refugee status of any Burmese, students or not students, civilians or monks, and we have never allowed any Laotian or Cambodian to use Thailand as an operational base to topple the governments in Laos or Cambodia.

Burmese Refugee Students Fear 'Idleness'

BK2511020690 Bangkok BANGKOK POST in English 25 Nov 90 p 7

[Text] Forced by severe hardship to abandon an armed struggle against the Rangoon regime, Burmese students seeking refuge in Bangkok face idleness, which many fear will undermine their cause.

Shortage of food and weapons, in addition to disease, has driven more than 1,500 Burmese dissidents from jungles along the Thai-Burmese border in the past two years.

Representatives of the All Burma Students Democratic Front (ABSDF) emphasise these students living in the city are not members of their organisation, although they may have been former members. ABSDF officials say that once these students decided to leave the jungle and live in Bangkok, they had to leave the group.

Burmese students can be found living in many places around Bangkok: in low-income apartments in the Pratunam area, behind the Indra Hotel, in rented houses in Soi Suthisan, off Sukhumwit Road in the Phra Khanong area, and many mingle with Thai students in rented houses near Ramkhamhaeng University. Some live with Buddhist monks in temples in the Yannawa area.

Their ordeal is in sharp contrast to fair living conditions in the capital made partly possible by financial support from the United Nations High Commissioner for Refugees [UNHCR].

The UN agency has issued papers recognising the asylum status of 1,100 Burmese students, each of whom receives a monthly allowance of 3,000 baht.

Recently, a Thai Airways International airliner was hijacked to Calcutta by two Burmese students, one of whom was said to be a UNHCR aid recipient. The incident prompted the Thai Government to mount pressure on the UN agency to halt the programme in an attempt to curb anti-Rangoon activities.

Ironically, Kyaw Kyaw, 35, a former Rangoon University student, expressed concern that living in Bangkok with support from the UNHCR might weaken the students' will to fight the Burmese regime. "The money they receive provides them with comforts. Although moderate, an easy life here could change some students' minds. "They might not return (to the border) to take up arms against the Government," he said.

Byn Ya, another Burmese student, said he left a Karen camp where he had received military training because food was scarce and many students fell seriously ill with malaria. He now lives with 12 other Burmese students in the Min Buri area. Each of those receiving financial support from the agency contributes 2,000 out of a 3,000-baht allowance for collective expenses such as rent and food. They keep the remaining 1,000 baht for personal use.

Rent takes away about 20 percent of this pool of money, which is also shared by members who do not get aid.

A member of the group, Nay nyein Aung, 23, said their dishes are mostly rice, curry and vegetables, adding they rarely bought meat because of its high price.

"Sometimes when I feel weak I buy bread and milk, using my own money," said Nay Nyein Aung, who, like a number of Burmese students, has not fuly recovered from malaria. The students spend money from their own pockets on clothing and entertainment. Byn Ya said they were idle most of the time.

The UNHCR language school near the Northern Bus Terminal at Talard Morchit offers Thai lessons, but few Burmese exiles—about 20 students daily—attend them.

The students who are not recognised by the UNHCR can earn money by working illegally as construction workers. Employers usually keep their wages as low as 40 baht a day.

Although prohibited, their political activities, such as rallies in front of the Burmese Embassy, are staged from time to time. These activities, however, do not take up much of their time.

Most students are not involved in planning political moves. They have to wait for a small circle of their leaders, consisting mostly of senior, well-educated members, to tell them about plans.

Free entertainment for the students is window-shopping at major shopping malls near Ramkhamhaeng University. A few students who can read Thai usually buy comics and newspapers to read.

While admitting drinking and smoking marijuana is done by some students, Byn Ya said the military regime

had exaggerated the problems and publicised them to discredit the student movement.

The possibility of being arrested by Thai police has also kept Burmese students on their toes, the student said. "We will face difficulties from now on as it will be very hard to escape the Thai police dragnet," senior Burmse monk Theravo Bhikkhu, who lives at a temple near Thammasat University, said.

The monk, who fled from the Burmese military crackdown more than a year ago from the Burmese border, said he had discussed with some Burmese students their future following the announcement of the Thai Government taking tough action against them.

They said if they have no other choice they are willing to let Thai police arrest them and be jailed as they would prefer to live in a Thai jail rather than be deported into the hands of the Burmese military. They believe they will be tortured and killed.

A Thai prison will have food for them to eat and jail warders will not be cruel compared with Burmese soldiers, the monk quoted the students as saying.

The monk said although he lives in Bangkok illegally, he is not too concerned as he beleives Thai police will not take tough action against monks.

Asked to comment on his political activities, the monk said that it is difficult for monks to be directly involved but he admitted helping organise protests in front of the Burmese Embassy. "But I mainly help Burmese students who have problems, giving them comfort or counselling them about life. They are far away from home, their parents and relatives."

The monk said many students are desperate and democracy in their country seems to be far away. But they will continue to fight.

Chairman of the Overseas Mon Young Monks Union, the Venerable Ramanya Kelass, said at least 40 monks from Burma receive a monthly allowance of 2,000 baht each from the UNHCR.

The monk said it might be difficult for them to stay in Bangkok. They will not live in a centre run by the Thai Government but are prepared to live in one run by the UNHCR.

Ye Kyaw, a 25-year-old former Rangoon University student who lives on a low income in an apartment off Sukhumwit Road, said many have been arrested and deported but managed to return otherwise they would face death at home.

"Thai police and immigration omicials have shown mercy to us. If they hand us to Burmese authorities, we will not survive," he said adding his group was deported via Karen-controlled areas.

Ye Kyaw said he and other students were assisted by Thai officials in their first journey to Bangkok soon after the 1988 pro-democracy uprising was crushed. He and 18 other students lived under the protection of Thai authorities. But since the Government has become closer to Rangoon, they have been abandoned by Thai officials.

"We had to change the place where we lived often until we come to live in this apartment which seems to be a safe place, he said. He believes the apartment owner pays several thousand baht a month to police not to harass apartment dwellers who include prostitutes, pimps, night workers and illegal aliens like the Burmese students. Police provide security for the apartment.

Ye Kyaw said that from what he knows most Burmese students in Thailand, especially in Bangkok, are nervous and scared.

Despite the hardships and uncertainty, Byn Ya said idleness is perhaps the most serious threat to the students. "I fear that we have begun to lose sight of what we intended to do when we got out of Burma.

"By staying idle as we are doing, we are inadvertently damaging our reputations," he said.

"Thinking of how many lives have been lost for democracy, we would be selfish if we did not go back to the armed struggle," said Kyaw Kyaw, who said he would be back at the front after a brief visit to Bangkok. "Talking never wins a war."

Mediocre Rice Harvest, Foreign Output Noted

BK2711031590 Bangkok THE NATION in English 27 Nov 90 p B2

[By Thanasetthakon]

[Text] While Thailand's rice exports will be hit hard by bumper harvests in China and India and lower rice production at home, total world trade in rice is expected to increase by 500,000 to 13 million tonnes this year, according to two leading exporters.

Wichai Siprasoet, president of Riceland International Co, predicted that a substantial rise in international paddy production from 503 million tonnes in the past year (342 million tonnes of milled rice) to 510 million tonnes (346 million milled) in the latest harvest will eat into the country's export markets.

India and China, two major rice suppliers, are expected to enjoy a bumper harvest this season (next year). Their output is slated to rise by 4-5 million tonnes and 2-3 million tonnes to 110 million and 183 million tonnes, espectively.

Thailand, by contrast, will witness a sharp decline in production. The upcoming harvest is likely to yield about 19 million tonnes of paddy, falling from around 20-21 million tonnes in the previous harvest.

Thailand's exports next year are put at 3.5 million tonnes, slowing from 4 million tonnes this year. So far, Thailand has exported a total of 3.2 million tonnes of rice this year.

The world's rice trade is expected to total 13 million tonnes, of which Pakistan will supply one million tonnes, the United States 2.5 million tonnes, Vietnam 1.5-2 million tonnes, India 500,000 tonnes and Burma 100,000 tonnes.

"When the world's two most populous nations succeed in boosting their rice production this year, import demand will decline and international prices will weaken as a result," Wichai said.

Buoyant rice prices in recent years have been largely supported by poor harvests in other countries and widespread drought in major rice exporting countries.

In 1989, Thailand's rice exports hit a record high of 6 million tonnes. China in particular, imported one million tonnes sending the price and the world trade volume spiralling to 15 million tonnes, according to Wichai. Beijing currently imports about 100,000 tonnes a year.

Moreover, Burma, which is barely self sufficient in rice production, is expected to increase its exports net year to 400,000 tonnes, doubling this year's output.

Wichai was convinced that Vietnam, which was expected to emerge as a major competitor in the low-quality rice market, would not overtake Thailand. Demand and consumption in Vietnam is comparable to Thailand's, but its rice acreage is much smaller. The Indochinese state plants rice on only 37.5 million rai to feed 65 million people while Thailand's total planting area exceeds 60 million rai, while its population is only 55 million.

With rice production expected to decline next year, Wichai said, exports would not drop, particularly prime-quality rice exports.

Woraphong Pichphongsa, managing director of Capital Rice Co, blamed the notorious brown hoppers for the slump in Thailand's rice harvest and the overall export total.

Low domestic production flies in the face of international trends as India, China and Indonesia are expected to enjoy a healthy harvest. He added that competition on international markets was expected to heat up.

Woraphong said rice prices in the first half of next year will decline sharply. The low-quality rice will be hardest hit, Woraphong predicted. He, however, was confident that top-quality grain would not sell for more than $270 per tonne (excluding transport costs). He expected prices would pick up in the second half of the year as sellers' bargaining power strengthens.

Further Reactions to 'Mini-Reshuffle' Reported

Coalition Voices Opposition

BK2211040190 Bangkok BANGKOK POST in English 22 Nov 90 pp 1, 3

[Text] Leaders of ruling coalition parties oppose a Cabinet reshuffle at the present time because it will give the impression the Government is bowing to military pressure, a Cabinet source said yesterday.

This view was shared by Democrat Party leader Phichai Rattakun, Puang Chon Chao Thai Party leader Athit Kamlang-ek and Ratsadon Party Secretary-General Gen [General] Mana Rattanakoset during a meeting on Monday of leaders and secretaries general of coalition parties.

During the meeting, Prime Minister Chatchai Chunhawan was asked if the military wants only Prime Minister's Office Minister Chaloem Yubamrung ousted or if it wants more to go.

The Prime Minister told the meeting a few four-star generals came to see him and demanded that Chaloem be dismissed, but he suspects the military will not just stop at getting rid of Chaloem.

The source said Communications Minister Montri Phongphanit and Interior Minister Banhan Sinlapa-acha said they believe the military does not want them ousted from the Cabinet. But when questioned by Mr Chaloem about the military's objectives, the Prime Minister said Banhan and Montri are targetted by the military.

The meeting, according to the source, also discussed the idea of assigning Gen Athit, who is former army chief, to talk with the army top brass about its demand for a Cabinet shakeup. But this was opposed by Gen Athit, who said it is unnecessary and the Government should carry on its work as normal.

The meeting discussed the recent ban on "unusual" gatherings in and around Government House, which was imposed by Gen Suchinda Khraprayun in his capacity as commander of the Capital Security Force.

A Cabinet member, said the source, suggested the Prime Minister assume the role of director of the Internal Peacekeeping Force to preempt the military invoking the Internal Peacekeeping Director Law. But this is not possible because the Prime Minister is empowered only to appoint the director, said the source. The issue was inconclusive.

Confusion From Rumors Viewed

BK2211043990 Bangkok BANGKOK POST in English 22 Nov 90 p 4

[Text] Yesterday will go down in history as a day of political confusion and tension. A flood of anxious phone calls were received by this newspaper office inquiring about political changes while rumours swept

the city that Prime Minister Chatchai Chunhawan had tendered his resignation. The speculation gained momentum when it was learned that the prime minister was having an audience with His Majesty the King in the Northeast. But by last night as the smoke began to clear, senior officials including Interior Minister Banhan Sinlapa-acha came out to quash all the rumours with the firm line that Gen [General] Chatchai had no intention of resigning. The audience with His Majesty was described as part of a routine practice whereby the prime minister reported on the outcome of his recent trips to Japan and China.

A senior aide of the prime minister also dismissed speculation that the prime minister was planning to remove Supreme Commander Gen Sunthon Khongsomphong. This was another source of tension throughout the day as the military leadership let it be known publicly that any government attempt to remove Gen Sunthon would have serious repercussions. The fact that the top echelons of the military did not turn up at the prime minister's residence for their regular Wednesday morning breakfast with Gen Chatchai did not help the situation.

Although it was made clear that the prime minister has no intention of resigning or sacking any of the military leaders, the political atmosphere could at best be described as remaining fluid. Indeed, the current protracted stalemate over some imminent political change has become increasingly unbearable. In the news for several weeks now has been talk of a Cabinet reshuffle. Gen Chatchai stated on record prior to his departure on a recent overseas trip that he would effect a reshuffle upon his return. Not surprisingly, expectations of changes grew after his return last weekend.

But by all indications, the prime minister has been caught in a bind. It is an open secret that the military leadership has been stepping up pressure for a Cabinet reshuffle that would involve the removal of three ministers, including the controversial PM's [Prime Minister's] Office Minister Chaloem Yubamrung together with the Social Action (SAP) and Chat Thai party secretary-generals. But the prime minister faced serious constraints even if he wanted to make such changes. SAP leader M.R. Khukrit Pramot has made it clear that there is no need for any reshuffling of the SAP ministers while Gen Chatchai's own secretary-general has manoeuvred himself into a position of strength. Meanwhile, a removal of Minister Chaloem could portray a negative impression to the effect that the Government was succumbling to military influence.

There appears to be few options for the prime minister in a situation like this. He could either maintain the political status quo and risk further irking the military, or defy all odds by effecting a Cabinet reshuffle he sees fit. On the other hand, he could also resign to pave they way for a return to the premiership with a fresh start or even convene an extraordinary parliamentary session with a view to dissolving it so that new elections could be called.

At a time of confusion and simmering tension like this, it is all the more necessary for all antagonists—be they the government, military or other parties—to exercise logic and restraint. This aside, it is equally important for the political leadership to come up with a decisive course of action. Needless to say ongoing and unresolved squabbles could do untold damage to the broader public interest. In fact the political jitters have started to sap business and investor confidence. Whichever course of action it may be, it is the prime minister's duty to resolve the current stalemate quickly so that other more vital state affairs can be tackled.

Need for Improved System Viewed

BK2211032390 Bangkok THE NATION in English 22 Nov 90 p A13

[Editorial: "The Best Solution"]

[Text] When the commanders of the three branches of the military joined their supreme commander in boycotting the weekly breakfast meeting with the prime minister at his residence yesterday, it was clear that a final showdown between the military and the premier had started. The crisis deepened and confusion increased when some younger generals made veiled threats about a coup to knock down the Chatchai administration, which they have charged lacks integrity and therefore a mandate to rule.

The military leaders may have good reason to be upset with the premier, given his attempts to delay fulfilling his pledge to drop PM's [Prime Minister's] Office Minister Chaloem Yubamrung from his Cabinet lineup. But they have no right, constitutionally or otherwise, to overthrow an elected civilian government just because the premier will not sack a minister who has offended them.

There is no question that military leaders can knock out the Chatchai administration and seize power in a matter of hours, as the premier has no strong allies in the military (even though he is supposed to serve concurrently as the defence minister). The question military leaders must ask themselves at this juncture is how resorting to brute force would help them, or the nation, in any way.

A coup at this point would push political development in Thailand back at least a decade or two, further damage the people's trust in the political process, and probably bring the economic boom we have been enjoying to an abrupt end. There is no guarantee that a military dictatorship would be more competent or less corrupt than the existing administration. Neither can we be sure that a general election held under military supervision would produce an honest government.

It was still unclear yesterday why the premier had not kept his promise given to military leaders two weeks ago and reshuffled the Cabinet. One reason might be that the premier must not appear to be succumbing to military pressure any longer, if he does not want his leadership to be further weakened.

This sounds logical. But in this case why did the premier promise the military leaders he would drop Chaloem? The promise was even announced before he left for Japan and China two weeks ago. By making a promise he didn't intend to keep, the premier apparently shattered his credibility in the eyes of the military.

To the public, the little credibility the premier had left was probably lost yesterday after rumours of his attempt to fire the supreme commander for insubordination, his resignation to form a new Cabinet after his reappointment, and of military demands for an immediate House dissolution.

What have the Thai people done to deserve such an ordeal? Perhaps too many voters sold their votes, sending too many unscrupulous politicians to the House. Too many people didn't bother to exercise their voting rights at all. And of course most of the law enforcement authorities were too incompetent or too afraid to stop the vote-buying spree.

Once again let's underline the fact that all the mistakes leading to the current political crisis are "human errors" which can be—and must be—corrected. The democratic parliamentary system that is in place may be full of flaws (weak parties, poor discipline, no clear-cut party policies or agendas, etc.), but it can be—and must be—improved.

The task of making Thai democracy work rests with the entire nation, not just any particular institution, much less the military, which is not noted for its appreciation of democratic traditions. Democracy, in turn, can help us out of the current crisis. Dissolving the House now and calling a snap general election is the best solution under the present circumstances. Indeed, the premier should have dissolved the House in late August instead of just reshuffling his Cabinet to salvage a badly divided and tainted administration.

The "human errors" and structural flaws in the political system will continue to haunt us. But at least giving the voters a chance at the ballot is a universally accepted solution to crises like the one we are facing.

Dissolving the House is the best solution, and probably the only solution, to ending the potentially destructive clash between the military and the premier. Neither side can afford to push the other any much further.

Daily Views Chatchai's 'Ploy'

BK2311031590 Bangkok THE NATION in English 23 Nov 90 p A8

[Editorial: "PM Must Blame Himself]

[Text] The Cabinet reshuffle yesterday surprised even many senior politicians in the prime minister's Chat Thai Party. It looked like another ploy of the prime minister to buy time in the hope of wearing out the military.

If the military backs down, at best the prime minister will be seen as a unreliable leader who cares more about his own political survival than keeping his word. But what if the military says it has had enough of this scheming premier?

In the "mini reshuffle," flamboyant PM's [prime minister's] Office Minister Chaloem Yubamrung was removed from the PM's Office and appointed as deputy education minister, replacing Sora-at Klinprathum who received a "windfall" promotion as a full minister attached to the PM's Office. Sora-at, a first-time Chat Thai MP from Ratchaburi joined the Chatchai administration in a Cabinet reshuffle last August when his father, MP Thawit, was removed from the post of university affairs minister. The promotion of Sora-at to a full minister could be the prime minister's way of placating Thawit who is a senior Chat Thai party executive with some clout.

The "mini reshuffle" also involved long-expected changes in the Democrat Party's lineup to comply with Public Health Minister Marut Bunnak's wish to retire because of health reasons, and to enable ex-deputy communications minister Anek Thapsuwan to rejoin the Cabinet. Anek has been appointed deputy public health minister.

However, Chaloem—the bone of contention in the confrontation between the premier and the military—remains in the Cabinet, despite earlier pledges of the premier to remove him for insulting Supreme Commander Gen Sunthon Khongsomphong. This was a big surprise.

The premier said the reshuffle was aimed at preserving coalition unity so that all the seven government parties could "stay together". Keeping Chaloem on the government side, instead of booting him out and forcing him to join the Opposition is a shrewd, calculated move. Chaloem is indispensable to the premier not only because of his tenacious loyalty but also because of his much-feared ability to expose and embarrass his enemies. After more than two years in the administration, Chaloem is widely believed to have amassed a wealth of inside information that most opposition leaders could only dream of acquiring.

Chaloem may have never said he would turn against the Chatchai administration if he was sacked, but other MPs in his Muan Chon Party, including Sophon Phetsawang, secretary general of the party secretary, have openly threatened to go after some ministers with "questionable records" if their party is dropped from the government coalition.

Yet there is the possibility that neither Chaloem nor his men have any secret information that could hurt anyone inside the Chatchai administration. They may all be just bluffing so that the premier will dare not drop this party of only five MPs. But the premier would rather play safe by keeping Chaloem on his side.

By keeping Chaloem—and reneging on his promise to the military to drop him—the premier may feel he cannot lose, or at least will not be the only loser. Should the military resort to brute force to seize power in a coup, the entire Thai nation would be the losers.

Then we may very well ask what does the premier hope to gain from taking such a reckless risk. Is it only to prove that he had never really buckled under military pressure and the promise to sack Chaloem was only part of his ploy to keep the military at bay?

If resisting military intervention in national politics was his underlying motive, he could have blown the whistle on the top brass for forcing him to reshuffle the Cabinet. And if things got out of hand, he could have dissolved the House and called a snap general election to give the voters nationwide a chance to decide whether they approved of his premiership (assuming that he will stand for reelection) or they welcomed military intervention.

Now that the premier has painted himself into this tight corner, and with the military leaders, particularly Army chief Gen Suchinda Khraprayun fuming at him, the premier has only himself to blame. Blaming the press or "rumour mongers" now would be futile because people can clearly see who must be held responsible for this political crisis.

The premier had his chances, he made his choice; he must not blame others for any untoward consequences that may arise from his own decision.

'Major Confidence Crisis' Noted

BK2411103790

[Editorial Report] The 23 and 24 November issues of Thai papers THAI RAT, EKKALAK, and MATICHON carry items commenting on the 22 November Cabinet reshuffle.

The 23 November EKKALAK editorial on page 4 titled: "Another Attempt to Buy Time," says: "The cabinet reshuffle announcement on 22 November makes people see clearly that the real stand of the government leader is nothing more than to buy time to survive another crisis," adding that the prime minister "does not care about the people's desire for a government whose image is clean." Continuing, the editorial notes that the prime minister has disregarded the call by various sectors for him to dissolve parliament or make a major Cabinet reshuffle. "Instead of recognizing that the government is facing a major confidence crisis, the government leader tries to mislead the people to think that they and the democratic system are being threatened by military dictatorship and encourages them to fight it." The editorial concludes by asking: "What benefits have the people gained from the action of their leader?"

The page-3 THAI RAT article, titled: "A Look Into Chatchai's Heart," discusses why General Chatchai Chunhawan refused to oust Police Captain Chaloem Yubamrung in the latest cabinet reshuffle. The article speculates that: "The secret meeting after 2320 on 21 November at the prime minister's residence, attended by four people, reasoned that Chaloem should not be removed because: 1. he is loyal and has bravely carried out everything that the prime minister wanted; 2. he has done nothing wrong; and 3. his ouster would be tantamount to succumbing to the military's pressure. A strong feeling that also permeated the meeting was that the prime minister, being already 71, wanted nothing more in life than to serve the country and thus did not fear a coup."

The article concludes that because of his long presence in the cabinet, Chaloem holds many secrets which would be very damaging if revealed. "Because of immunity protecting statements made in parliament, statements which could identify individuals involved in those secrets must never be made. This is why Chaloem must be retained in the cabinet at all costs until the end."

The page-8 MATICHON editorial, titled: "Democracy Needs No Cloak," says whether or not the latest cabinet reshuffle will create confidence and satisfy various sectors remains to be seen, "but it shows that the prime minister is courageous and independent enough to make his own choice." The groups affected by the reshuffle should not feel that they win or lose by it, "because to think so is dangerous for the democratic system. They must not forget that the democratic system is currently the most suitable direction for the country, providing that it serves the majority of the population and that it does not serve as a cloak for a certain group or groups to conceal and facilitate their exploitation of the people."

The editorial concludes: "If politicians and pressure groups care about the nation, refrain from dishonest acquisition of interests, and perform their roles within the framework of law and good ethics, the flaws now existing can be effectively solved. However, there must be no use of force in the process, because this will only destroy the society."

Influence on Military Relations

BK2511011290 Bangkok THE NATION in English 25 Nov 90 p B1

[From the "Political Desk"]

[Text] When Premier Chatchai Chunhawan left Bangkok Wednesday afternoon for an audience with His Majesty the King in Sakhon Nakhon, one of the aides accompanying him carried two papers which would have caused political upheavals if they had been signed and announced.

One was a draft of a resignation letter and the other was a draft order to sack Supreme Commander Gen Sunthon Khongsomphong.

He left behind a group of senior Chat Thai members who were convinced he would try to overcome his political crisis by quitting, then getting himself renominated for the premiership. There was cause for this belief. Chatchai had a senior government official draft both his resignation and the order to fire the supreme commander. Then, acting on the premier's instruction, a senior Cabinet member from Chat Thai told Parliament President Wan Chansu Wednesday to draft Chatichai's renomination. Afterwards, the Cabinet member went looking for signatures backing the renomination from MPs in both government and opposition parties.

Chatchai's swift action also caused a stir in the military. Commanders from 15 army divisions gathered at army headquarters early Wednesday morning, seeking a meeting with Army Commander-in-Chief Gen [General] Suchinda Kraprayun. The commanders were furious at reports a move was underway to remove their leader.

They met Army Chief-of-Staff Gen Wirot Saengsanit instead and were apparently told not to do anything too hastily. The political rumours prompted Suchinda to fly to Sakhon Nakhon for an audience with His Majesty the King, taking with him a proposal for dissolution of the House as an alternative to the premier's resignation.

Following the audience, rumours were heard that the premier had been encouraged to stay on and that the army chief had been told to restrain the military.

In fact, the premier did not show the king either of the documents he had brought to Sakhon Nakhon. Nor did he mention anything about them during his audience at His Majesty's Phuphan Palace.

Some theorize that the rumours of resignation preparations were politically motivated and were formed by those at the centre of the government. This theory was backed by the fact that the senior Chat Thai Cabinet member assigned by Chatchai to prepare his renomination is known to have close connections with the military, so close that his allegiance to the premier was questionable. Was he chosen because he was expected to leak the news that the premier was quitting?

If so, after the dust settled down on Thursday, the senior cabinet member must have realized that he had been duped.

What were the effects desired by directors of this political drama?

—To make it look as though the premier dropped his plan to step down and instead opted for a limited Cabinet reshuffle after the audience. Against this background, the premier's move to retain controversial PM's [Prime Minister's] Office Minister Chaloem Yubamrung in the Cabinet reshuffle would not be openly opposed. To test the reaction of the military to the plan to fire Sunthon.

—To use the resignation rumours to test the support of political parties for Chatchai's renomination. As it turned out, three parties gave lists of their MPs to Chat Thai: Gen Athit Kamlang-ek's Puangchon Chaothai party; the Ratsadon Party of Gen Thianchai Sirisamphan; and the opposition Prachakon Thai party, led by Samak Suntharawet. As for the other coalition partners, SAP [Social Action Party] leader M.R. Khukrit Pramot pledged support, while the Democrats were noncommittal, saying that they would need a formal party meeting to discuss it.

On the surface, Chatchai emerged the winner in this political drama. The circumstances prevented the military from reacting strongly to the premier's failure to drop Chaloem in the reshuffle. In this sense, the military was the loser.

Chatchai did try to save face for the military, however, demoting Chaloem from full ministerial rank to the positon of deputy minister. In real terms, however, Chaloem probably gained in the reshuffle. As deputy education minister, Chaloem will supervise a greater number of departments than he did as the PM's office minister, when his only responsibility was for the Mass Communications Organizations of Thailand [MCOT].

Through his actions, Chatchai demonstrated plainly that he has enough courage to resist military pressure. His implication, whether it be correct or incorrect, is that he is in a stronger position than the military—who simply did not know how to react to what they saw as a breach of the premier's promise.

It was also a personal victory for Chatchai over Sunthon, who reportedly dared the premier to sack him if he committed any serious offences. This challenge was made Tuesday night, when Chatchai attended a party for military officers to celebrate the establishment of the Royal Thai Navy.

Sunthon had been at odds with Chaloem since the deputy office minister's comments had prompted former Army Chief Gen Chawalit Yongchaiyut's resignation from the Cabinet in March. The two faced off a second time in June when Sunthon ordered a powerful mobile radio station seized from the MCOT, because he suspected it was being used to spy on the military.

Suchinda threw his support behind Sunthon only after Chaloem recently chastised the supreme commander.

Nevertheless, Chatchai paid a high price for his victory. His credibility is still fragile, and his political manipulating has aggravated his relationship with the military.

Chatchai defended his decision to retain Chaloem by saying that, earlier in the month, the minister had offered to leave the Cabinet if there was a reshuffle. But

later, Chatchai said, Chaloem told him that if he was dropped his Muanchon Party would also leave the ruling coalition.

Chatchai said that his coalition partners had also objected to sacking Chaloem because it would make the public believe that the government had bowed to military pressure.

It seems, however, that this line of argument will probably only carry weight with the prime minister's staunchest supporters. Chatchai would find it hard to explain why he was unable to dismiss Chaloem after having sacked former Deputy Interior Minister Santi Chaiviratna and former Deputy Commerce Minister Pinya Chuaiplot. Chaloem had been tainted by corruption charges just as much as the former SAP ministers had. Neither was the prime minister able to justify his decision to drop former Deputy Premier Phong Sarasin and former Foreign Minister Sitthi Sawetsila in the last cabinet reshuffle, despite the fact that both had better images than Chaloem's.

To non-partisan outsiders, Chatchai's action is likely to be seen as an attempt to protect the sharp-tongued minister—and to avoid threatened retaliation.

Perhaps the most worrisome aspect of the last week's political manoeuvres is that the prime minister seems to have made up his mind to wiggle out from under the military's pressure, no matter what the cost. If this is the case, then last week's clash only increased the chances of a damaging showdown in the near future. Through political manipulation, Chatchai has managed to push the military into a corner. Now, it seems, the military can be expected to do some pushing of its own.

Article Views 'Deepening Rift'

BK2511025290 Bangkok BANGKOK POST in English 25 Nov 90 p 8

[Report by Banyat Thatsaniyawet: "Reshuffle Serves Only To Increase Tensions"]

[Text] The boycott by the military's top brass of the monthly Defence Council meeting on Friday was a prompt reaction to Prime Minister Chatchai Chunhawan's Cabinet reshuffle announced on Thursday and clearly indicates a deepening rift between the Army and the Government.

The centre of controversy remains the inclusion of Pol Capt [Police Captain] Chaloem Yubamrung in the Cabinet, who swapped posts with Minister Soraat Klinprathum.

What is glaringly clear about the reshuffle is that instead of reducing political tension between the Army and the Prime Minister, which was prompted by Minister Chaloem's comments against Supreme Commander Sunthon Khongsomphong over the mobile radio issue, the political temperature has increased.

More importantly, however, the reshuffle has not improved the public's perception of the coalition's corruption-ridden image nor has it shown that any attempt has been made to improve government efficiency in tackling impending and looming economic woes. Instead, public faith in the coalition and especially in the Prime Minister, has suffered yet another blow.

Based on Gen Chatchai's comment before he left for Tokyo, almost everyone—politicians, the military and the public—expected to see Pol Capt Chaloem pack his bags from Government House.

"After returning to Thailand there will be an urgent reshuffle. In this new reshuffle Pol Capt Chaloem has asked not to be included in the Government. Therefore, the reshuffle will not have Capt Chaloem," the Prime Minister said at the time. Gen Chatchai's decision to keep the minister on the list was a surprise to all.

Feelings of disappointment that the Prime Minister did not keep his word can be heard and felt from all directions.

This prompted Supreme commander Sunthon to ask again that if one does not comply with a gentleman's agreement, what would the people think? "There won't be any more reminders of this promise," he said, adding that a gentleman must keep his word and that the Army would meet to discuss the issue.

Many politicians interviewed by the BANGKOK POST view the situation with concern. Some even view the appointment of Capt Chaloem as deputy education minister as black humour.

"This reshuffle does not improve the Government's image and on top of that appears to challenge the military and even perhaps prompts the institution to continue political pressure on the Government," said one prominent MP.

"Being independent and not bowing to military pressure is a good thing, but to appear to be bending backwards for a political hooligan is not what being democratic is all about," said the MP.

A number of politicians point to the fact that the damage done by the reshuffle—heightening the rift between the Army and the Prime Minister (and therefore Parliament as an institution)—is simply not worth the risk, especially when it is perceived to be done for the sake of one individual.

These politicians point to the decision by British Prime Minister Margaret Thatcher to step down from the Conservative Party leadership as a good example. The MPs view Mrs Thatcher's decision as exemplifying fair play and a true democratic spirit, a spirit of self-sacrifice. They said that Mrs Thatcher's decision, which coincidentally occurred on the same day Gen Chatchai announced his reshuffle, is a clear example of the "high standard" of democracy in the United Kingdom.

The comparision aside, political analysts believe political manoeuvring and pressure by the military will increase, especially from individual officers who will make their political bargaining power felt, especially since a gentleman's agreement has been broken and their authority has been challenged.

Apart from the Defence Council boycott, there appear to be other signs of movement. There are already reports that military units converged on Sattahip on Friday to discuss the reshuffle.

The military radio, in its Friday evening programme "Phua Phaen Din Thai," compared the poltical situation to the period before the fall of Ayutthaya, the former Thai capital. The programme said at that time Thailand lost its independence because the people lacked unity and that its leaders misused their power and faith in them was lost.

What is noteworthy is that two to three days leading up to the reshuffle, political confusion and tension was heightened by the deliberate spreading of rumours in which the Press was used as a tool. The rumours included the impending resignation of the Prime Minister, that the Prime Minister planned to sack Gen Sunthon and Army Chief Suchinda Khraphrayun.

Word was even spread that Gen Chatchai would not resign because His Majesty the King wants the democratic process to countinue.

All these rumours were initiated in the form of whispers to reporters, in telephone calls to the Press asking "have you heard?" or "is it true?"—questions which prompted press rooms to check the story, which served only to fuel political uncertainty.

Political analysts and observers were highly critical of these attempts to link or involve this country's highest and most revered institution in the country's political problems, citing for example the attempt to park the Mass Communicatiosns Organisation of Thailand's (MOT) mobile radio station in Chitlada Palace.

Analysts point up the situation is nothing near the atmosphere leading to the mournful events of October 6, 1976, which forced the King to appoint Sanya Dharmasakti as prime minister. The situation is a prevailing conflict of political benefit and interests.

If the definition of democracy is that politicians enter Parliament to gain ministerial posts so they can scramble for benefits, then this is a sad thing for the Thai people.

Under these circumstances and the political situation, analysts believe the political impasse will not last long and that there will be "changes" ahead. The analysts said these changes could be a "major" Cabinet reshuffle or a "shuffling of the deck" after His Majesty's birthday on December 5.

"The situation cannot be allowed to last because the government does not have the time to administer the country properly under such a gloomy scenario," one analyst said.

There is no doubt the military is frustrated and angered at the situation, but analysts have pointed out that Gen Suchinda has said that he has no political ambition and that he will not intefere in politics, adding they hope the army chief will continue to exercise patience.

The analysts hope Gen Suchinda will continue to be cautious and careful and not risk taking steps that would lead the country back to the period of military dictatorship.

MCOT Director Tenders Resignation

BK2611141990 Bangkok Domestic Service in Thai 1200 GMT 26 Nov 90

[Text] At Government House at about 1430 today, Rachan Husen, director of the Mass Communications Organization of Thailand, [MCOT], tendered his resignation to the director of the General Affairs Division of the Prime Minister's Office. Rachan Husen told reporters that he had decided to resign in accordance with the party system. He took up the MCOT director post because the Muanchon Party leader assumed the post of minister attached to the Prime Minister's Office and was assigned to supervise the MCOT. When the Muanchon Party leader is appointed to another ministerial post, he should resign from the post in line with the principles. This also shows that he does not stick to his post. As he took the post according to the party system, he should also leave the office in accordance with the party system so as to allow the new minister attached to the Prime Minister's Office who will be in charge of the MCOT to select a person to take up the MCOT director post.

Political 'Cold War' Moves Noted

BK2711021190 Bangkok THE NATION in English 27 Nov 90 pp A1, A2

[By Kokhet Chantaloetluk and Nopphakhun Silanen]

[Text] Army Commander-in-Chief Gen [General] Suchinda Khraprayun yesterday told his top officers that he could not stay on as army chief if he failed to protect the dignity of the army.

Suchinda's remark at the closed-door meeting of officers directly under him at the Army Convention Hall was another sign of the cold war with Prime Minister Chatchai Chunhawan which erupted as a result of the premier's failure to drop controversial Pol Capt Chaloem Yunbamrung from the Cabinet in the latest minor reshuffle.

Other signs yesterday included his public statement that he would not be able to make it to the premier's Rajakhru residence for a routine breakfast tomorrow

morning, and his instruction for aides to decline invitations from Chatchai if the premier contacted them for a meeting.

At the meeting with his officers, Suchinda also sounded out their opinions on whether he, as army chief, should act to preserve the dignity of the army. The commanding officers replied that they totally agreed with him, informed sources told THE NATION.

At the meeting, Suchinda read a letter from a retired army general airing his views on the question of the army's dignity, according to spokesman Maj Gen Anuson Kritsanaserani. The retired general said that he had lost his faith in the Chatchai administration.

The spokesman said Suchinda had received "numerous encouraging letters" from people from different walks of life. "The army chief instructed me to express his gratitude through the Press to those who wrote him and to apologize to them that he would not be able to answer all the letters," Anuson said.

He said that the army chief did not tell him how many letters he had received. "All these letters are signed with the addresses of the senders," the spokesman said.

Informed sources said that Suchinda told the officers at the meeting that he was very impressed by the letter from the retired general, who was not identified at Anuson's news conference.

In an interview, Suchinda said that he would not attend the weekly breakfast with the premier at the latter's Ratchakhru residence tomorrow morning because he was too busy that morning. "I also have a cold. And I don't want the premier to catch it from me," he said, tongue-in-cheek.

Suchinda and the other top-brass military officers—Supreme Commander Gen Sunthon Khongsomphong, Air Force Commander-in-Chief ACM [Air Chief Marshal] Kaset Rotchananin and Navy Chief Adm Praphat Kritsanachan—were absent from last Wednesday's breakfast meeting with the premier in what was seen as their protest against Chatchai's reluctance to meet their call for Chaloem's removal from the Cabinet.

Chatchai announced a limited Cabinet reshuffle on Thursday which saw Chaloem transferred from the PM's [Prime Minister's] Office Ministry to the Education Ministry as deputy minister.

Army sources said that the premier had been trying to contact Suchinda to make an appointment for their meeting but the army chief told his aides to reply that he would not be available.

—The main opposition Solidarity Party yesterday placed a full-page advertisement in several daily newspapers demanding that Prime Minister Chatchai Chunhawan step down or dissolve Parliament to call a snap election.

The Opposition's move came just as Gen Chawalit Yongchaiyut, leader of the New Aspiration Party and former army commander-in-chief, said he was confident that the Opposition's attempt to collect sufficient signatures from the Senate to force open an extraordinary House session to grill the government will be successful.

The Opposition claimed to have garnered 111 signatures from elected MPs so far. They would need 97 more from the appointed senators to make a successful bid to take the government to task.

Political sources said with the military leaders expressing their disappointment over the latest Cabinet reshuffle, in which their arch-rival Chaloem Yunbamrung remained in the line-up, many military officers in the Senate may now be ready to lend their support to the Opposition move.

The strongly-worded "Statement from the Solidarity Party," accused the Chatchai government of having plunged the country's political scene into confusion and creating what it described as "unprecedented divisiveness within the country."

The limited Cabinet reshuffle announced on Nov 22, it said, failed to strike a compromise among various pressure groups within the country. Instead, the Opposition party contended, the move intensified tension and rifts within the country "to a serious extent."

The statement also pleaded with the military establishment to exercise patience and attempt to resolve the current problems through "democratic means," apparently trying to dissuade the military top brass from staging a coup against the Chatchai government.

Also yesterday, Solidarity deputy leader Piyanat Watcharaphon said he viewed the Social Action Party's loss in Sunday's parliamentary by-election as a major defeat for the government.

Piyanat said the government could not belittle the outcome of the election which saw opposition Phalang Tham Party's candidate Suthep Atthakon elected as an MP representing Bangkok Constituency 2.

Suthep defeated the SAP's candidate, Dr Kasem Sirisamphan, by over 6,000 votes, which SAP leader M.R. Khukrit Pramot and SAP secretary general, Communications Minister Montri Phongphanit dismissed as having nothing to do with the coalition's image. But Piyanat argued that Kasem ran in the election as a representative of the Chatchai Coalition so his defeat should be regarded as the coalition's.

He claimed that coalition partners had helped campaign "openly and covertly" for Kasem. The opposition leader claimed that the constituency's residents represented the public in voicing their dissatisfaction with the administration by voting for the Phalang Tham candidate.

"The public has lost faith in the coalition," Piyanat said. Therefore, the Opposition would try by all means to oust

the coalition by pushing for a special House session in which it hoped to submit a no-confidence motion against the government, he said.

But a special session would not be easy to call, given the government's control of the majority of the House, and its defeat of the Opposition in the last censure vote, in addition to the fact that the Opposition had often failed to collect enough signatures to call for a special House session.

Piyanat admitted that it was hard for the Opposition to force the parliament to sit during its recess but he said opposition leaders would explain to senators that the session was necessary to solve the current political and economic woes.

While pushing for the special session, Piyanat said, the Solidarity Party would grill the coalition during a political rally at Sanam Luang on Friday. He said Chatchai would be the target of the opposition's attack during the planned rally because of his alleged indifference to the people's problems.

He said Chatchai would be left bruised after the "censure" and that House Speaker Pancha Kesonthong would not be able to protect him. The House speaker, a ruling Chat Chai Party MP, is responsible for controlling the situation in no-confidence debates. In the last censure showdown, the Opposition accused Pancha of handling the debate in favour of the government.

However, in Friday's rally the Solidarity Party will not be immune from charges of slander as it is when it criticizes the government in Parliament.

The Bangkok Metropolitan Administration (BMA), meanwhile, said it has approved a petition from the biggest opposition party to use Sanam Luang as a venue for its anti-government debate this Friday.

Bangkok Governor Gen Chamlong Simuang said a Solidarity Party representative had contacted him at the BMA office, asking for permission to hold a political debate at Sanam Luang. Chamlong, also the leader of the Phalang Tham Party, said he forwarded the Solidarity Party's request to the Department of Social Welfare which subsequently approved it.

Prasong Sunsiri Criticizes Move

BK2611151190

[Editorial Report] The Thai language newspaper, EKKALAK, on 26 November carries a 2,000-word article, written by Squadron Leader Prasong Sunsiri, in his regular column on page 3, entitled: "Who Is Responsible for Discrediting and Weakening the Military?" Prasong says that current relations between the military and the government are at their worst. The latest cabinet reshuffle has badly shaken public confidence in the prime minister because his actions contradicted his public statements. The explanation he gave a few days ago can do nothing to improve the situation. Rather, it will make things worse.

The people realize that the latest cabinet reshuffle was not meant to solve national problems or serve public interests. It was meant to serve the prime minister. "The reshuffle reflected that he is hiding something bad from other people. This made it impossible for him to risk touching a certain person," Prasong says, adding: "None of the ministers viewed by the public with mistrust were sacked under the recent reshuffle. Those suspected of corruption because of their highly accumulated wealth remain in the cabinet to pursue work as usual. It shows that the prime minister never worries about this problem."

Prasong says: "The government claimed that it is doing no more than pushing for the development of democracy. It labelled any move to disrupt the administration as efforts to destroy democracy. It resorted to all kinds of tactics in order to make the people believe it, and some of these tactics involved those in high places."

Prasong says that the case of a cabinet minister finding fault with the military is not unique. We already had politicians meddling and finding fault with civil servants at various ministries. There have been been systematic attempts to undermine the civil service over the past two years. Those defying them were either sacked or demoted. It can be said that civil servants have lost to politicians nearly all jurisdiction prescribed to them by law.

"Now they are turning toward the military as their next target after the civil service. As one soldier has already been a target, there will certainly be more and more targets for them, until they can get hold of all the power," the columnist says.

Of all the attempts to undermine national security, this is the most serious case yet. They have already undermined the economy. They have crippled the bureaucracy. They have been taking advantage of the democratic system to engage in official corruption. They have ignored the social welfare and safety of the people. They have set a poor example in our society by ignoring ethical and moral values.

Noting that the military institution has existed since the birth of the nation, Prasong Sunsiri says that its presence is vital for national security. Soldiers are trained with the sense of dedication and sacrifice. "Soldiers are part of history. They are the symbol of patriotism. Thanks to them, the younger generations realize the meaning of national independence, sovereignty, individual rights and freedom. They make the present days possible. They have brought several achievements to the country before this bunch of bad politicians arrived to thrive on it," Prasong says.

He says in conclusion: "The present showdown between politicians and soldiers in our country is deplorable. It would be tolerable if the efforts to discredit soldiers came from those who have never been soldiers before.

Unfortunately, those responsible for discrediting the soldiers are old soldiers and some of them with high rank. They cooperated among themselves against the armed forces. They are not sincere with the soldiers. They have lost their heart and soul to the lure of personal gains and interests.

"This gang of people are trying to discredit and weaken the armed forces. They are cooperating with the crooks in order to reap personal gains. There is an urgent need to get rid of those people before it would be too late for the country."

BOT Insists on No Devaluation of Currency

BK2311081990 Bangkok THE NATION in English 23 Nov 90 p B12

[By the Business Desk]

[Text] The Bank of Thailand [BOT] has insisted that it will not adjust the "basket of currencies" in a way that will weaken the baht because the present economic environment does not necessitate a weaker baht.

Addressing a seminar on Thailand's 1991 Economic Director, Dr Chaiwat Wibunsawat, assistant governor of the central bank, said although the baht has appreciated against the dollar, it is weakening against other currencies. "The stronger baht has not created an impact on the economy," he said.

Chaiwat was arguing against the suggestion in some sectors of the economy that the government should move to lower the value of the baht to help the export-oriented industries, given its recent rise against the dollar. He reaffirmed that lowering the baht will bring additional pressure on inflation and plunge it into further fluctuations, and the private sector will have less confidence in the baht.

He also pointed out that the government is using the interest rate policy to contain inflation, and there are signs that the short-term money market will be tight because credit growth is outpacing savings. He expected that a point of equilibrium will soon be reached, but it should start with the private sector using the money in the most economical way.

Tharin Nimmanhemin, president of Siam Commercial Bank, voiced optimism that the money market in the medium term will become brighter, with hopes high that the Gulf crisis will be resolved and oil prices become more stabilized.

Tharin said over the next three to six months there will be a clearer picture on the Gulf crisis and oil prices will become more stabilized, although in the short term the upward pressure on interest rates will bring them up to 1-1.5 per cent a year.

He based his argument on the expected ability of the government to control inflation next year to 9.5 per cent, the slow-down in credit with the cooling off of speculation and the weakening interest rates in the United States.

Under the circumstances, Tharin said the interest rates in the medium term of four to nine months will fall by at least two per cent, compared with three per cent for the inter-bank interest rate.

With the economy slowing down to 6.5 per cent next year, the inflation rising to nine-10 per cent, the current account deficit soaring to seven per cent of the gross domestic product and the tight money market, Tharin suggested that the practice of short-term speculation should be terminated because the risk factors are expanding.

He also suggested that business management will have to become more cautious, with particular attention to the liquidity, since sales might weaken and the circulation of goods will slow down.

"Business management is of importance, and a balance between production, marketing and finance should be struck, including the flexibility of busines to cope with the changing circumstances," he said.

Tharin said if it is necessary to borrow from overseas, the dollar should be the main currency because the risks of its fluctuation are less than other currencies.

Somchai Phakhaphasawiwat, a securities expert, maintained that the short-term prospect of the stock market is not bright, with the Gulf crisis, the battered overseas stock markets and the weakening of the global economy, and believed that if the SET [Securities Exchange of Thailand] index is to rise beyond the current 640 level, it would be a merely temporary reaction.

Still, he was confident that the market, in the long run, will be able to grow strongly because the average profits per share in the market will rise not less than 22 per cent, compared with this year's growth of 40 per cent.

Economic Outlook in Wake of Rate Change Viewed

BK2411054890 Bangkok THE NATION in English 24 Nov 90 p A8

[Editorial: "The Nightmare Begins"]

[Text] The Bank of Thailand announced a new interest rate structure for both deposit and lending. For people who have money, the increase for deposits hardly stimulates their heartbeat. For borrowers who seem to perpetually rely on loans from commerical banks, the news of an immiment increase would seem dreadful, no matter how small it is.

There were recent reports that an increase in the ceiling for the lending rate was planned and when the central bank made it a reality yesterday, it was greeted with utter disbelief. In fact, this is even an understatement to describe the bewilderment and dismay of people who

heard the bad news. A 2.5 per cent increase, though gradually, from 16.5 to 19 per cent, means that their livelihood will only be worse.

In the immediate term, the negative impact would be felt by the borrowers of funds from banking and financial institutions. As time passes by, the indirect effects would hit the man on the street who is now less sure about what actually lies in store for him.

The central bank explained that the increase was designed to ensure economic stability and suit the current financial situation and without the interest rate measures, the overall situation might one day get out of hand. That sounds reasonable enough, but wait a second.

Haven't we heard all these past three years that the fundamentals of our economy were strong, with growing international reserves, impressive GDP growth rate, etc? Why, all of the sudden, this inevitable shock treatment?

The increase was jointly approved by the central bank and the Finance Ministry, based on genuine concern over the present economic conditions. The central bank should have levelled with the public as well by giving clarifications to some questions.

Firstly, will the monetary authorities admit that they had been too lenient with commercial banks as far as their lending was concerned? That's why they are struggling desperately to cope with the unexpected.

Secondly, will the commerical banks also admit that they had been less prudent in banking management and less restrained in extending credit to various projects, particularly the speculative real estate sector, believing that they will never fall on hard times?

Thirdly, will the authorities and the commercial banks admit that they are deeply concerned about the adverse publicity due to their lending to projects whose viability or survival have now become questionable? At the moment some commerical banks are obviously in serious trouble due to what could be described as unsound banking practices, or mismanagement in worse cases, which now require urgent assistance from the authorities.

What they had done so far with the gargantuan deposits from the public should now be the subject of close scrutiny. But in fact we do not know whether the authorities had done as expected by the public. For example, the central bank had expected that credit growth at commerical banks would be at about 25 per cent this year. All these months, the growth had exceeded 30 per cent despite the ongoing Persian Gulf crisis.

Whatever the monetary authorities had done so far have been proven insufficient and inadequate. There are still many other questions but to which only the future will eventually produce the answers. The monetary authorities cannot escape from a public backlash because the stark realities of hard times are now out in the open.

What we see now is that commerical banks and non-bank financial institutions have received protection, without which, we are likely to hear disastrous news about financial failures not too long from now. The current situation reminds us of the early 1980s when the domestic interest ceiling was as high as 21 per cent when the government had a long bout with inflation which soared to 19 per cent.

Who would believe that we are suddenly in more or less the same situation, after we have been engulfed by a euphoria of impressive economic performance in the past three years. What was it? Oh, yes it was said that Thailand has achieved a double-digit growth, one of the highest in the world, much to the envy of other countries.

What does that mean now? It looks as if our floorboard is about to cave in, the dream of achieving the status of a NIC [Newly Industrialized Country] has suddenly turned into a nightmare...and it is likely to be a very long bad dream. The predictions by economists about reasonable high GDP growth rate, and whatever positive statements involving our economy, sound more and more like a hogwash.

Would the problems of the 1980s which threatened the survival of financial institutions be brought back to inflict hardships on us all in the 1990s? If the authorities say 'No', which is not entirely unexpected, it will have to be taken with a pinch of salt.

We stand to face a myriad of hydra-headed problems from now on. The political prospects are gloomy enough, and the interest rate increase hardly comes at an opportune moment. The backlash might include persistent demands by workers for increase in wages, higher cost of living due to strong inflationary pressures and of course, the hapless poor will be hardest hit.

We have much less confidence now in the economic management by this government. It is also time for the monetary authorities, after dealing a severe blow to the public, to look into the state of health of commercial banks, determine the actual conditions and come up with a more honest evaluation. After having endured so much in the past few months, more bad news would not be a surprise.

Vietnam

Party Plenum Session Economic Debate Reported

BK2711090290 Hong Kong AFP in English 0837 GMT 27 Nov 90

[By Alain Boebion]

[Text] Hanoi, Nov 27 (AFP)—Hardliners appeared willing to accept limited economic liberalisation after heated and protracted debate with reformers at a closed-door communist party plenum here, informed Vietnamese sources said Tuesday.

But any attempt at political opening would be firmly resisted, and leading reformers came under harsh criticism for pro-western policies, they said.

Fierce debate has raged since the Central committee session opened unannounced here several days ago, the sources said. "The economy has never weighed so much in Central Committee deliberations and the committee has never been so divided," one source revealed, adding that changes in the party leadership could be introduced before the winter session of parliament opens on December 5.

A close ally of the once monolithic Soviet bloc, Vietnam has been badly hit by recent changes in the Soviet Union and Eastern Europe, which formed the principal export market for Vietnamese goods and also supplied Vietnam with cheap raw materials and consumer goods.

The country's resulting near-bankruptcy, Vietnamese sources say, has prompted "serious differences" at the plenum which, together with a recent national congress of party cadres, is preparing for a full party congress scheduled for May next year. Sources close to the government say no major changes will be introduced before the congress, which will be caled on to adopt "new political and economic perspectives."

The congress must confirm the separation of party and state, a major issue at the plenum, they said. But they stressed that the plenum was "totally opposed" to allowing political pluralism in the one-party state.

Economically, the congress must pull Vietnam back from the brink of disaster before 1995 and plan a development strategy up to the year 2000 without jeopardising socialism or national independence, they said.

A source close to the government dismissed predictions of an imminent purge of party leaders considered guilty of mismanagement or policy errors. "There will be no major shakeup this time" The source said, countering Western predictions that conservatives, their hand forced by the economic situation, will acknowledge the need to remove dead weight as long as they maintain their control.

Informed Vietnamese sources here say that economic experts have been called in to join the debate at the plenum where the issue of Soviet bloc changes was never directly broached but has been an underlying theme. According to the sources, the reformers, who favour improved ties with the west, faced a barrage of criticism, but so did other leaders accused of various errors including wastefulness and holding foreign bank accounts.

The reformers, notably Foreign Minister and Deputy Premier Nguyen Co Thach, were accused of being too pro-Western and were reproached because their policy had failed to bring an end to the trade embargo imposed on Vietnam by the United States in 1975, despite Mr Thach's official visit to Washington in September. The same critics accuse Mr Thach, a Politburo member, of favouring normalisation of relations with Washington as a means of increasing pressure on Beijing to normalise ties with Hanoi, rather than negotiating directly with the Chinese.

Other reformers under attack were Vo Van Kiet, the first deputy prime minister, responsible for economic planning, and Dao Duy Tung, a Politburo member in charge of ideology. If a reshuffle in the Central committee or Politburo took place, the decision would be announced before the new session of parliament, Vietnamese sources said.

VNA Notes Foreign Economic Cooperation

BK2711083690 Hanoi VNA in English 0715 GMT 27 Nov 90

[Text] Hanoi VNA November 27—The 1990 Quang Trung Autumn Fair was opened in Ho Chi Minh City on November 24 with the participation of 200 economic units at home and abroad.

Besides economic establishments of Ho Chi Minh City and other localities across the country, a number of production and business companies of Britain, Taiwan, Germany, Cambodia, Malaysia, Hong Kong, Hungary, Indonesia, Thailand and Singapore have joined the fair. Taiwan alone has 33 companies under the China External Trade Development Council (CETRA) taking part in the event.

On show are more than 2,000 machines and equipment for agriculture, industry, forestry, handicraft, information, informatics, electronics, communications and transport, and other economic branches.

—Vietnam and Thailand have agreed on basic principles for cooperation in fishery development.

The Thailand-Vietnam Fishery Company of Thailand and the Southwest Sea Food Company of Vietnam will establish a joint venture in exploiting, culturing, and processing sea products in Vietnam in 1991. The joint venture will also invest in breeding shrimp for export, upgrading sea products processing factories and sea food cannery, and building a shipyard in Ho Chi Minh City.

—Vietnam has so far put 100,000 hectares undar cashew, yielding 40,000 tons of cashew nut including 27,000 tons for export. Twelve cashew processing enterprises with an annual total capacity of 17,000 tons have been built in different southern localities.

—A digital microwave system linking Hanoi to three northern localities of Yen Bai, Thai Nguyen and Tuyen Quang built with technical assistance from the AWA [expansion unknown] firm of Australia has been put into operation by the Vietnam Post and Telecommunication Corporation.

Hanoi Radio Views Foreign Investment Prospects

BK2511130590 Hanoi Domestic Service in Vietnamese 0015 GMT 25 Nov 90

[Article by Thanh Hai]

[Summary] "In recent months, many economic delegations from Indonesia, France, Japan, Italy, Thailand, Australia, Hong Kong, Great Britain, and the United States paid working visits to Vietnam. Many economic seminars under the theme of cooperation and joint ventures with Vietnam were also held in Hanoi and Ho Chi Minh City."

According to many foreign observers, the recent increase in the number of foreign economic delegations' working visits to Vietnam coincided with major developments like Foreign Minister Nguyen Co Thach's visits to the United States and Japan, the EEC's decision to restore its relations with Vietnam, the renewed efforts to resolve the Cambodian issue, and particularly, the fine results of Vietnam's reform policy.

"Indonesia, Japan, Australia, Thailand, Singapore, Hong Kong, and other countries in the Asia-Pacific region have constantly strengthened their trade ties with Vietnam." In October 1990, an Indonesian delegation attended the Vietnam-Indonesia seminar jointly held in Ho Chi Minh City by the Institute for International Relations under the Vietnamese Ministry of Foreign Affairs and the Center for Strategic and International Studies of Indonesia.

"Particularly, Indonesian President Suharto's Vietnam visit has further strengthened the cooperation between the two countries." An agreement on economic, scientific, and technical cooperation and establishment of a bilateral commission was signed on this occasion. "The two sides agreed to encourage investment in the form of joint ventures and cooperation in the petroleum industry, sea port construction, air transportation, tourism, agriculture, forestry, banking and personnel training, and so forth."

"Japan has assumed an increasingly greater role in promoting economic relations with Vietnam. Japan ranks next to the Soviet Union on the list of trade partners with Vietnam." The values of the Vietnam-Japan trade exchanges in 1989 and 1990 were U.S.$519 million and U.S.$800 million respectively.

Commenting on Japan's strong trade ties with Vietnam, in its 23 November issue, the magazine THE ECONOMIST said: "If American firms get the U.S. Government-imposed trade embargo against Vietnam lifted, they will face formidable competition from Japanese companies. Once America lifts its embargo, the Japanese companies will certainly be first in Hanoi, not American firms." Therefore, American businessmen have strongly urged the Bush administration to lift its trade embargo against Vietnam.

Australia is another major trade partner with Vietnam. Australia's trade exchanges with Vietnam have been valued at hundreds of millions of U.S. dollars. In late October 1990, a delegation of Australian businessmen paid a working visit to Vietnam. According to the head of the visiting Australian delegation, "Vietnam is a difficult and challenging market, but it also has big potential for Australian businessmen who are dynamic economists. Although Vietnam is not a market where one can reap immediate profits, it holds big opportunities due to its population of 66 million, abundant natural resources, and management experiences."

For his part, Hans Bernd Giesler, secretary general of the East Asian Confederation of Germany, said at a recent workshop in Ho Chi Minh City that "the confederation has been for more than a year now, through its office in Hanoi, exploring possibilities to cooperate with Vietnam" and that "signs of recovery in Vietnam's economy are evident and the Vietnamese people know how to adapt in a short time to the changing situation in business opportunities."

Joint Venture With South Korea Begins Operation

BK2611075790 Hanoi VNA in English 0703 GMT 26 Nov 90

[Text] Hanoi VNA Nov 26—A joint venture in producing wooden chopsticks for export between the Wasong-Tra Dong Company of South Korea and Hanoi was put into operation recently.

This is a factory equipped with a complete production line capable of turning out two million pairs of chopsticks per day, which is worth $162,000 dollars invested by the South Korean side. The South Korean side is in charge of marketing all products in ten years.

The two sides are planing the installation of another production line in the coming period of time.

Integrated Energy Planning Course Closes

BK2311153590 Hanoi VNA in English 1511 GMT 23 Nov 90

[Text] Hanoi VNA November 23—A two-week national training course in integrated energy planning was closed here today.

During the training course, which was attended by 23 participants and jointly organized by the Institute of Energy and the Asian and Pacific Development Centre (APDC), lectures were given by both Vietnamese and visiting foreign specialists on many subjects related to the energy problem like methodology, energy development planning models and energy system management.

Speaking at the closing ceremony, Dr. Peter Hills, APDC representative, expressed his hope that the course would "help build a firm foundation for the future development of energy planning in Vietnam." He said: "APDC will do its best to contribute to future training and energy

planning needs in Vietnam. We all look forward to greater cooperation between APDC, the planning energy network in Asia and Pacific area (APENPLAN) members, and Vietnam's Ministry of Energy and Institute of Energy."

UN Population Fund Aids Peasants' Association

BK2711081290 Hanoi VNA in English 0737 GMT 27 Nov 90

[Text] Hanoi VNA November 27—A visiting "Project Review and Strategic Development" [PRSD] mission of the United Nations Population Fund Activities [UNFPA] has just had a working session with the Vietnam Union of Peasants on matters related to family planning and agricultural development in Vietnam.

Cam Ngoan, vice chairman of the association, informed his guests of the association's participation in the government's population and family planning programmes in the past and in the 1991-95 period, as well as its other activities for the well-being of peasantry which makes up 80 percent of Vietnam's population.

The PRSD mission took notes of the association's proposals and promised to submit them together with its own suggestions to the UNFPA headquarters in order to seek more international assistance to Vietnam in the implementation of her population and family planning programmes.

WHO Funds Polio Eradication Training Course

BK2611091390 Hanoi VNA in English 0659 GMT 26 Nov 90

[Text] Hanoi VNA Nov 26—A training course on polio eradication for medical workers from 11 central coastal and central highlands provinces was recently organized in Nha Trang Pasteur Institute and the World Health Organization (WHO).

It was officially reported at the course that the rate of polio-affected children under five years of age in those provinces as a whole is 20 percent almost a double of that in the northern part of the country.

On the national scale, however, the number of polio cases has been gradually reducing since recently thanks to effective financial and other assistances from the WHO under an integrated expanded programme for immunization. It is expected that from 1995 onwards, about 90 percent of children under one year of age will be vaccinated against the six common child-killer diseases annually, and all polio cases as well as polio virus in man and the environment will be eradicated. For these purposes, the medical services in those provinces have so far concentrated on building and upgrading their material and technical bases with assistance from the Nha Trang Pasteur Institute in personnel training.

State Bank of India Delegation Visit Reported

BK2411101490 Hanoi VNA in English 0730 GMT 24 Nov 90

[Text] Hanoi VNA November 24—A three-man delegation from the State Bank of India headquartered in Bombay, led by Mr. B. Bhattacharya, deputy managing director, visited Vietnam from Nov. 21-24, 1990. During their stay in Vietnam they met leading officials of the State Bank of Vietnam, Bank of Foreign Trade, Ministries of Commerce and Finance, State Planning Commission and the State Committee for Cooperation and Investment to assess prospects for opening a representative office of the government owned State Bank of India in Vietnam.

Greetings Sent on Angolan Ties Anniversary

BK2511090590 Hanoi Domestic Service in Vietnamese 1430 GMT 24 Nov 90

[Text] Van Dunem Loy, Angolan minister of external relations, has just sent a message of greetings to Foreign Minister Nguyen Co Thach on the occasion of the 15th anniversary of the establishment of diplomatic relations between the Socialist Republic of Vietnam and the People's Republic of Angola. The message reads in part as follows:

We note with satisfaction that over the past 15 years, considerable progress has been achieved in the relations between our two countries, thereby contributing effectively to strengthening economic, cultural, and social ties for the interests of peace, justice, and development of our two peoples.

Chairman Receives Soviet Education Delegation

BK2711075490 Hanoi VNA in English 0728 GMT 27 Nov 90

[Text] Hanoi VNA November 27—A delegation of the State Committee for Education and Vocational Training under the Supreme Soviet of the USSR led by its Chairman N.N. Pantusev visited Vietnam from November 19-27.

While here, the delegation studied Vietnam's education and vocational training situation in the light of the renovation policy, exchanged experience and views with the Vietnamese side on matters related to the Soviet Union's education, and discussed the possibilities of the Soviet Union's assistance to and cooperation with Vietnam in personnel training in the coming years.

The delegation had working sessions with Tran Hong Quan, minister of education and training, and toured a number of educational establishments in Hanoi, Haiphong and Quang Ninh Province.

The Soviet guests were cordially received on November 26 by Le Quang Dao, chairman of the Vietnamese National Assembly.

Coal Exports Up, Output Rises Marginally

BK2411095790 Hanoi VNA in English 0714 GMT 24 Nov 90

[Text] Hanoi VNA Nov. 24—Vietnam's annual coal export has been on the rise after a recession period: from 230,000 [metric] tons in 1987 to 350,000 tons in 1988, 600,000 tons 1989 and about 800,000 tons this year.

By November 12, 650,000 tons of coal had been exported, 50,000 tons more than the total for 1989.

Nevertheless, present coal production has recorded only a marginal increase over the figure of the peak year in the colonial days.

Vietnam's coal has reappeared on its traditional markets in Western Europe, Japan and South Korea and has found new outlets like Malaysia, the Philippines, Thailand, Taiwan and Brazil.

The main colliery lies in the northern border province of Quang Ninh, next to the Ha Long Bay, scenery known to many foreign tourists. To increase coal output, all coal companies are focusing on the improving of coal sorting equipment with the aim of meeting the needs of different consumers. For instance, the Cam Pha coal mining company, one of the two biggest in Vietnam, has cooperated with Australian BHP [as published] in modernizing its coal sorting equipment, thus raising the proportion of large coals to 20 percent from 5-7 percent previously.

Intensive and large-scale dredging has begun at the Cua Ong coal port in the Cam Pha colliery to accommodate high tonnage ships of the 40,000-50,000 ton category instead of only ships of 20,000-30,000 tons at present. At the same time, procedures have been much simplified for foreign ships entering Vietnam to buy coal.

Official Urges Vigilance Against Enemy Plots

Part One

BK2211025390 Hanoi Domestic Service in Vietnamese 2330 GMT 18 Nov 90

["Part one" of article by Pham Van Thach, a cadre of the Interior Ministry: "Heighten Vigilance, Firmly Maintain Political Security and Social Order and Safety"]

[Text] For some decades now, counterrevolutionary rebellions have occurred in some socialist countries and independent nationalist and progressive countries. These rebellions have caused serious consequences hampering the development of socialism and the struggle movements for national independence, democracy and progress in Third World countries.

These rebellions have lent a hand to U.S.-led imperialism and other hostile forces to attack and sabotage socialism in the short and long term. Counterrevolutionary rebellions have long been used by imperialism in their strategic scheme and as one of their main offensive spearheads to eliminate socialism and eradicate the leadership of proletarian parties in socialist countries.

They also are activities of a binding character to the enemies, especially where communist parties have seized power. The enemies have realized that obviously they cannot use aggressive armed forces to eliminate socialism and to invade progressive countries, so they have to use other hostile and sabotage maneuvers which do not show their true nature but which are more effective. These maneuvers are counterrevolutionary rebellions.

Through these maneuvers, imperialists want to bring the war of sabotage into the heart of socialist countries at the time when the revolution is shifting to other stages or socialism is facing difficulties and ordeals.

They have implemented such measures as eroding ideology and confidence, degenerating ethics and disrupting the economy, which will lead then to political and socioeconomic crises and invigorate opposition within socialist countries. The enemies plot to make their maneuvers of hostility and sabotage become a process of spontaneous decline of socialism in which they pay particular attention to an offensive so as to sow internal division, splitting the bloc of solidarity among nations and religions, and the relations between the party and the masses. They make the most of those factors that can destabilize us internally and aggravate our domestic contradictions. If these contradictions are not promptly dealt with, they will worsen.

As a result, while many counterrevolutionary rebellions have spread out from major events and acute problems, others have burst forth from minor events. These events instigated by the enemies have developed gradually according to their scheme and guidance to become counterrevolutionary rebellions when conditions inside and outside the countries are favorable to them. For this very reason, in many counterrevolutionary rebellions, besides those antisocialist elements and organizations that receive guidance from reactionary imperialists, dissatisfied degenerate and deviant people have also joined in opposition alongside those among the masses who hold erroneous viewpoints and wrongful knowledge and who have been instigated, deceived and attracted by extremist views. In this way, rebellions have spread out like a drop of oil and caused a chain reaction to reach a larger scale.

Looking back at the historic course in the past 45 years, we can see that rebellions have taken place in our country. There were counterrevolutionary rebellions staged by such parties as the Viet Quoc, Viet Cach and Dai Viet in the wake of our taking over the administration. Typical of these was the case occurring on On Nhu Hau Street. These rebellions were staged by reactionaries who took advantage of religion to instigate the people in Quynh Luu and Ba Lang; and the revolt in Dong Van was instigated by tribal reactionaries. All those rebellions

only took place in certain definite areas and were quickly suppressed. They could not create any social upset. This was due to the fact that the organizations of our party and administration from the central down to local levels had been consolidated strongly and firmly. We knew how to rely on the people and set forth correct measures to promptly check these riots.

Had we not possessed these spontaneous forces, the destructive force of the aforementioned rebellions would certainly have not stopped at that level. This dictates that we must not belittle the issue and lose our vigilance.

In recent years, especially since early 1989, some socialist countries have suffered comprehensive and serious crises in the process of their renovation, reorganization and reform. They are facing life-and-death ordeals. Imperialism and other hostile forces have considered this a once-in-milennium opportunity to attack socialism. As a result, imperialist leaders are calling for a shift from the checking strategy to the beyond-checking strategy in order to rapidly defeat socialism without having to wage a war in the last years of this century.

In this frenzied counteroffensive, imperialism and other reactionary forces consider Vietnam a target and the last conservative force of orthodox socialism, according to the Voice of America on 23 May 1990.

Along with the favorable conditions and initial encouraging victories which our people have won in the renovation process, the revolution in our country is facing new challenges in a struggle that is taking place fiercely on all battlefronts. New factors—both favorable conditions and difficulties—are emerging. The enemy plots and maneuvers of comprehensive sabotage against the revolution in our country have become increasingly dangerous, insidious and intensive.

We must acknowledge these problems with alertness and seriousness and must avoid vagueness, subjectivism, and the relaxation of vigilance. Our first and foremost tasks at present involve firmly maintaining political stability, accelerating socioeconomic development, improving the people's livelihood, frustrating all schemes of opposing and undermining our revolution by the enemies from within and without, firmly safeguarding our revolutionary gains, and defending the party and the proletarian dictatorship administration.

The struggle against all schemes and acts of fomenting rebellions is one of intense fierceness in numerous aspects. The most fundamental issue in this struggle is the need to beat off, neutralize, and work toward eliminating all the root causes of rebellions. In the immediate future we must struggle actively in a number of aspects:

1. Struggle against those infiltrating our country from abroad to commit acts of hostility, particularly exiled reactionaries. Thanks to new developments and the support of imperialist forces, the groups of reactionaries among exiled Vietnamese—made up mainly of officials of the former puppet army and administration and leaders of various former parties and factions—have given rise to dozens of organizations, establishing the so-called Vietnamese government-in-exile, the national restoration front, and the united front to rally forces for frantic activities in an attempt to oppose and undermine our revolution from outside.

Through the launching of the "shift the flame home" and "collect the winds into a typhoon" campaigns, they have smuggled large quantities of materials, books, and newspapers into the country to distort communism and propagandize for political pluralism or a multiparty system, and called on the people at home to demand political reforms and renounce the leading role of the party.

Along with carrying out propaganda to exert ideological pressure and psychological effect, they have organized groups of commandos and spies to infiltrate the country secretly to carry out activities, such as building bases and preparing forces to foment rebellions.

Next to the infiltrations of the Mai Van Hanh-Le Quoc Tuy group, we should mention the Hoang Co Minh-led National United Front for the Liberation of Vietnam. Under the Dong Tien [Advance to the East] 1, Dong Tien 2, and Dong Tien 3 plans, the front smuggled more than 200 commandos into our country. All the infiltrators, however, were killed or captured. These activities have shown that reactionaries outside the country are acting impatiently and feverishly in view of what they call a golden opportunity, nurturing the illusion of reversing the situation by inciting rebellions inside the country.

Along with their secret infiltrations, the enemies are capitalizing on our oversight to enter the country openly. They have taken advantage of the broadening by our state of external economic activities, investment, tourism, and scientific and technical cooperation with foreign countries, and of humanitarian and charitable aid to enter our country under various pretenses. Recently, a number of reactionaries using the cover of various organizations infiltrated our country ostensibly for the purpose of looking for investment opportunities, teaching English, and sightseeing. In reality, they made many contacts with the local reactionaries, incited the people, and disseminated opposition ideas, thereby increasing the illusions of the local opposition elements. Therefore, we must by all means expose their adventuristic schemes and illusions and, at the same time, neutralize their effects and influence.

At this juncture, due attention must be given to ideological education, enhancement of political knowledge, and improvement of revolutionary sentiments. We must deeply understand the guiding thoughts and orientations set forth by the Resolution of the Eighth Plenum of the Party Central Committee and Political Bureau Directive 60. We must enable every cadre, party member, citizen, and armed forces combatant to firmly maintain his faith and be alert in the face of trials, and not show an

ambivalent attitude toward enemy schemes. The role of the propaganda armed branches, the press, and propaganda work should be strongly developed to become sharp weapons in attacks against the enemies. Suitable forms and practical measures should be adopted to increase the efficiency of political and ideological education at present.

Part Two

BK2211120190 Hanoi Domestic Service in Vietnamese 2330 GMT 19 Nov 90

["Part two" of article by Pham Van Thach, a cadre of the Interior Ministry: "Heighten Vigilance, Firmly Maintain Political Security and Social Order and Safety"]

[Text] 2. Frustrate all the attempts by the in-country reactionary and opposition forces, both old and new, to raise their heads:

In our country, various former political and reactionary parties and a number of former puppet army and administration personnel have refused to undergo reeducation for progress. These reactionaries, including those hiding under religious signboards and those living in areas inhabited by ethnic minority groups, are still operating undergound, waiting for an opportunity to raise their heads.

Since 1989 under various forms, both overt and covert, they have resorted to many activities such as gathering their former members and seeking to ally themselves with external reactionary forces to form a large alliance to direct their opposition, sabotage socialism in our country, and prepare for an opportune time. These kinds of reactionary organizations have been and are being promptly and accurately discovered by us. They will certainly be dealt with according to the law. Extremely flexible yet drastic measures—which combine deterrence with appropriate education and which call for the use of reasoning and force with legal means—are being implemented to strike at the ringleaders and split their men, in conjunction with efforts to give appropriate education to those misguided people tailing after these reactionaries and cause the instant disintegration of these organizations.

The instigation of radical activities and the abuse of propaganda to propagate erroneous concepts should be averted and dealt with. In the current situation, greatest attention must be paid to education and persuasive measures. If education and persuasive measures produce no results, determined efforts must be made to strictly deal with these people according to the law.

3. Satisfactorily solve complicated problems arising in the process of implementing various socioeconomic policies:

Due to the consequences of the decades-long war, the prolonged subsidy-based bureaucratic mechanism, the wrongdoings and shortcomings in the implementation of various socioeconomic policies, and the many economic difficulties, many new irrationalities and differences have emerged in social life. In reality, many regrettable incidents have arisen that are at variance with the nature of socialism. Opposition forces are seeking to exploit this situation to slander and distort our party and state policies and lines, trying by all means to turn this complicated situation into a cauldron for rioting. Therefore, to satisfactorily solve this situation now becomes an urgent issue. First, we must firmly grasp those developments of the political and social situation that are affecting our socioeconomic, nationality, and religious policies. This means that we must forsee the development of public opinion. Only through this can party committees and the admnistration at all levels further realize the problems and aspirations of the masses and pinpoint complex issues and hot spots so as to take drastic and effective countermeasures. Everything that needs settlement must be done immediately in order to consolidate the people's confidence and prevent further complications.

Whenever there is a mob gathering, we must take timely measures to deal with it. These include adopting flexible and wise methods and using persuasive education as a principal measure to pacify the masses. Meanwhile, efforts must be made to promptly isolate instigators and disperse the mob and stabilize the situation.

Recently, in solving some incidents, the party committees and the administration in a number of localities and establishments have been calm and cautious in seeking to understand the reasons leading to these incidents and adopting appropriate countermeasures. They know how to rely on the people and listen to the people's suggestions. Their leaders have boldly admitted and in an exemplary manner corrected their shortcomings and pointed out illegitimate demands of the people, thus achieving good results. They have won the people's sympathy and consolidated their confidence and the relations between the party and the people. On the other hand, due to their bureaucracy and alienation from the masses, their failure to investigate and grasp the situation, and their inappropriate control measures, the party committee echelons and the administration in some other localities have, instead of satisfactorily doing away with various hot spots, made the situation more complicated. It is suggested that experience must be promptly drawn from these incidents.

Here we also want to point out that disturbance and counterrevolutionary rioting are completely different in nature. If we cannot promptly and neatly solve disturbances, they will become good conditions for the enemy to exploit and incite rioting. Measures taken against disturbances and to quell riots are also completely different.

4. Develop the roles of the people's public force and the people's army—two important forces of our party and state:

First, they must demonstrate firmness in their ideals and their reasons and will to fight. They must always look toward building a peaceful and prosperous socialist

Vietnamese fatherland. They must realize that the purpose of the party's renovation undertaking is to further refine socialism so the people can rid themselves of illusions about erroneous and reactionary concepts advocated by political pluralism and multi-party doctrine. Betterment of the political quality must be carried out in conjunction with efforts to improve a sense of discipline and the fighting will and to build the armed forces into a clean and steadfast force.

Under all circumstances, the public security force and the armed forces must ensure their fighting strength and be ready to triumph over internal hostility and external adversaries.

Given the current requirements of the struggle, the armed forces must develop to the fullest their roles and responsibility in everyday work and in combat for the defense of the socialist Vietnamese fatherland and for the safeguarding of national security. Simultaneously, they must satisfactorily meet the two requirements for improving their vigilance and promptly fighting all the enemy's sabotage schemes. The public security force and the armed forces must satisfactorily perform their advisory functions toward the party and the state in executing various preventive measures. They must take the initiative in preventing all problems before they emerge and in firmly maintaining political stability. On the other hand, they must strike the enemy resolutely and constantly, resisting all external infiltration and internal sabotage, preventing enemy attempts to establish connections between inside and outside forces, correctly pinpointing key targets and areas against which countermeasures will be focused, and formulating plans for maintaining national security along the border, the coast, and in large cities.

Considering the current situation, greater efforts must be made to achieve close cooperation between the People's Public Security Force and the People's Armed Forces and to develop the tradition of unity between these two forces against all the attempts to divide and cause confrontation between these two forces.

The national defense task must be wisely combined with the task of maintaining political security and public order and safety. Therefore, the cooperation between these two forces must be strengthened and there must be efforts to renovate this cooperation in terms of forms and measures and in terms of the essence of work and a cooperative mechanism. These two forces must frequently exhange information so they can evaluate uniformly, accurately, and concretely the enemy's schemes and actions and can uniformly work out counterplans. Especially, they must cooperate in solving situations concerning national defense and security and even troubles now emerging in social life. Leaders at all levels must jointly formulate plans against all contingencies and organize rehearsals of these plans to avoid being driven into an embarrassing and passive situation.

The struggle to protect the party and defend the socialist fatherland in the new situation will be very tough and challenging. But under all circumstances, if the traditions of unity and close coordination among the armed forces are developed to the fullest under the direct and absolute leadership of the Communist Party of Vietnam, it will become an invincible strength capable of ensuring our final victory.

Radio Reviews Nov 90 Issue of Party Journal

BK2611094190 Hanoi Domestic Service in Vietnamese 1000 GMT 26 Nov 90

[Summary] Following is a review of "the contents of the November 1990 issue of TAP CHI CONG SAN."

The journal begins with an article entitled: "Marking the October Revolution in 1990 of the 20th Century," by Ha Xuan Truong, editor in chief of TAP CHI CONG SAN, marking the 73d anniversary of the Great October Socialist Revolution and affirming that "socialism will be an inevitable choice of mankind."

Next is an article by Mai Hien, specialist of the Communist Party of Vietnam [CPV] Central Committee Foreign Relations Department on "Position and Historical Function of Socialism," stressing efforts by socialist countries to carry out restructuring and renovation to strengthen "outstanding features of socialism."

This is followed by Nguyen Phu Trong's article on "Ensuring Democracy in the Party," which calls for efforts to "ensure true democracy in carrying out party activities so as to encourage liberal, creative viewpoints from all party members."

Next is a Nguyen The Uan' article entitled "Management and Rational Use of Foreign Currencies," which criticizes "the indiscriminate import of goods by localities and the arbitrary use of foreign currencies by sectors, thus causing great losses to the state." It proposes some methods for the effective management and use of foreign capital.

In its "Research and Exchange" column, the journal carries the following:

—An article by Hong Gian Hoi, specialist of the Institute of Marxism-Leninism on "Ideals and Interests of Daily Life," which discusses different concepts by various social classes on interests of their daily life and hails socialism as "the most progressive ideal that can help liberate mankind, especially in the economic domain."

—An article by Vu Nhat Khai: "The Intelligentsia and the Concept of Socialism," which presents the position and role of the intelligentsia in socialist construction.

—An article by Nguyen Trung Gia on "The Transition Period Toward Socialism," which analyzes issues related to direct and indirect transition periods toward socialism.

—An article by Nguyen Hai Quat, who holds an MA degree in psychology, entitled "The Capability and Intelligence of the Leadership," which discusses the role and responsibility of leaders, especially decision-makers, who must be competent and acquire vast knowledge in various fields.

The "Opinions and Experience" column consists of the following:

—An article by Pham Son, minister of Public Health entitled "The Physical Fitness of Our Younger Generation," which discusses physical fitness issues and calls for efforts to promote sports and physical educations for Vietnamese youth and children.

—An article by Le Van Ly, head of the party building department of the Nguyen Ai Quoc Academy on "Some Ideas on Renovating the Contingent of Leading Managerial Cadres."

—An article by Tran Anh on "Supervision and Management of the Culture, Art, and Press Forces."

—An article by Pham Thang on "Some Concrete Experiences of the Ma Da State Farm," which presents its efforts to improve forestry products for export.

—An article by Trang Huy on "The Cause of Bankruptcy of Nonstate-Credit Organizations," which analyzes causes leading to this negative phenomenon.

—An article by Hong Sanh: "Thai Binh Consolidates and Perfects Party Organizations."

In its "Activity and Ideology" column, the journal carries an article by Bui Huu Sinh on "how seriously we should deal with corruption," calling for drastic action against corruption and embezzlement.

Found in the "World, Problems, and Events" column are the following:

—An article by Phan Lang on nature of colonialism in various stages.

—An article by Vo Thu Khuong entitled "Reform in China—Achievements and Complicated Problems," reviewing results scored through reform in China during the past decade and subsequent problems.

In the "Through Foreign Publications" column, the journal carries an excerpt of a draft report entitled "Capitalism Is a Politico-Economic System of Imperialism" which is to be presented at the upcoming 27th congress of the French Communist Party.

Inspection Sector Commemorates 45th Anniversary

BK2411132590 Hanoi Domestic Service in Vietnamese 1100 GMT 23 Nov 90

[Station Correspondent Nguyen Chan report on a 23 November meeting in Hanoi to mark the 45th anniversary of the Inspection Sector—portion recorded]

[Summary] This afternoon, 23 November 1990, the State Inspection Commission and the Hanoi Inspection Service held a solemn meeting to commemorate the 45th anniversary of the inspection sector. "Comrade Nguen Thanh Binh, member of the party Central Committee Political Bureau and secretary of the party Central Committee; Comrade Nguyen Thi Dinh, member of the party Central Committee and vice chairwoman of the State Council; many other leaders of the central government and in Hanoi; and the comrades in charge of inspection tasks in various ministries, sectors, provinces and cities countrywide attended this joyful day of Vietnam inspection sector."

Comrade Nguyen Ky Cam, member of the party Centra' Committee and state inspector general, delivered a speech generally reviewing the inspection sector's contributions to the revolutionary cause over the past 45 years and urging the sector to outstandingly fulfill its assigned tasks in the future.

Comrade Nguyen Thi Dinh then spoke and cited the achievements of the inspection sector over the past 45 years. She said:

[Begin recording] "Dear comrades: Our achievements over the past years can be said very great. Yet, in the coming days, we still have to face many difficulties in our country. Not only the domestic but also the international situation is very complex. It will affect a great deal our country. The social situation in our country is still developing very complicatedly. The unemployment rate is very high while the political problem remains quite complex. We have established two committees to fight smuggling and corruption and we have brought about some initial changes that are still not very good. I therefore say that the responsibility of our comrades in the inspection sector is still very heavy and complex. Since we have scored some fine achievements and valuable experiences, I expect that you will learn from these experiences to develop the good points and overcome shortcomings. We should do this in such a way to build a wholesome, firm, and strong state inspection sector. This is the most important issue of our sector. Only if our sector is wholesome, firm and strong, can we attack corrupt people who steal the state assets through under-counter dealings. Otherwise, it will be difficult for us to fulfill our duty. I believe that you have performed well and acquired good experiences. In the coming days, you will further develop your achievements and you will certainly fulfill well the heavy duty assigned us by the party and state." [end recording]

Also at the meeting, Comrade Nguyen Thanh Binh, member of the Political Bureau and secretary of the party Central Committee, cordially talked with the participants.

Comrade Tran Than, deputy inspector general, on behalf of the sector's cadres and personnel, pledged to resolutely struggle and fulfill the duties entrusted them by the party, the state, and the people.

State Inspection Commission Decorated by Council

BK2711084290 Hanoi Domestic Service in Vietnamese 1100 GMT 25 Nov 90

[Text] In Hanoi this morning, the State Inspection Commission held a solemn ceremony to receive the Ho Chi Minh Order, a precious gift granted by the state to the state inspection commission's staff for their great contribution to the revolution and to the national undertaking in the last 45 years.

Comrade Do Muoi, member of the Political Bureau of the CPV Central Committee, chairman of the Council of Ministers; and Comrade Le Quang Dao, a member of the CPV Central Committee, chairman of the National Assembly, and vice chairman of the Council of State attended the ceremony and spoke to the State Inspection Commission's staff on the national situation and duties in 1991 and the following years. They also discussed the commission's responsibility in working together with the party and the people to actively and successfully implement the nation's economic and social duties.

Comrade Nguyen Ky Cam, a member of the CPV Central Committee and chairman of the State Inspection Commission on behalf of the commission promised to the leading comrades of the party and the state to continue the good work. In the future, the commission will follow closely political duties and suggest measures to the party and the state on inspection issues involving many sectors and many localities. The commission will contribute to the state in macro level management, and help solve difficulties and obstructions in production, commerce, and in social problems. Inspection work must be impartial and sincere in examining and clear in finalizing to insure justice. It must be determined and dispassionate in anticorruption and in applying social justice.

Australia

Cairns Group Moves To Break Talks Deadlock

BK2311072090 Hong Kong AFP in English 0719 GMT 23 Nov 90

[Text] Sydney, Nov 23 (AFP)—The Australia-led Cairns Group moved Friday to break the deadlock on agriculture in world trade talks by calling for a change to the format of next month's crucial GATT meeting in Brussels.

Australian Government sources said the group wants the talks to concentrate on trying for a political breakthrough over the European Economic Community's refusal to offer substantial cuts in agricultural protection.

Trade ministers are meeting in Brussels from December 3 for what, until the deadlock on agriculture, was to have been the wrap-up meeting of the four-year Uruguay Round of the General Agreement on Tariffs and Trade (GATT) negotiations.

The negotiations are seen as the most wide-ranging attempts ever to prepare new rules for international trade covering everything from agriculture and coal to banking services.

The Cairns Group says failure of the negotiations will mean destructive trade wars between Europe, the United States and Japan, with minor countries being savaged in the backlash. The Cairns Group is formed of countries which have no or minimal farm subsidies. As well as Australia, it includes New Zealand, Chile, Canada, Argentina, Brazil, Colombia, Indonesia, Hungary, Malaysia, Thailand and Uruguay.

New Zealand's new prime minister, Jim Bolger and opposition leader Mike Moore will represent New Zealand at the Brussels meeting.

Mr. Bolger said he had been prompted to go by a statement released by the Cairns Group in Geneva which said the GATT round was "at the crossroads".

Negotiations on freer world farming trade came to a stalemate when the group and the United States rejected the EEC offer of a 30 per cent cut in subsidies, continuing to call for cuts of between 75 and 90 per cent.

Australia's Trade Negotiations Minister and Cairns Group Chairman Neal Blewett said Friday GATT Director-General Arthur Dunkel had been asked to take action "of the utmost urgency". Mr. Dunkel had been asked to ensure the Brussels meeting had the means to take the key decisions on agriculture necessary to secure a substantial outcome.

Government sources said this means the group wants Mr. Dunkel to abandon any attempt by the meeting to engage in detailed negotiations and to concentrate on trying to get a political breakthrough.

Mr. Dunkel is meeting in Geneva with farm trade negotiators and is expected to make an early announcement on the Brussels meeting.

Mr. Blewett told a business luncheon Friday that if the Uruguay Round failed there could be a repeat of the trade blocs that existed in the depression era of the 1930s. "If we fail, we will give a green light to the creeping protectionism that has become apparent in the 1980s," he said.

He warned that agriculture trade reforms could falter due to "European arrogance" and the fact that the EEC nations felt they "did not need anybody else".

New Zealand Trade Negotiations Minister Philip Burdon said European negotiators had to present a more substantial package on agriculture subsidy cuts if the final GATT talks had any chance of success.

The EEC had shown no evidence of political will to take the decisions necessary to reach a compromise on agriculture, he said. He added that it was being stressed in talks now under way in Geneva with Mr. Dunkel and other key participants that without this political will the round would fail.

Solomon Islands

Court To Decide on 'No Confidence' in Mamaloni

BK2111033890 Hong Kong AFP in English 0327 GMT 21 Nov 90

[Text] Honiara, Nov 21 (AFP)—The opposition in the Solomon Islands appealed Wednesday to the supreme court to allow it to put a parliamentary motion of no confidence in Prime Minister Solomon Mamaloni.

Opposition leader Andrew Nori, a lawyer, asked the court to overrule the speaker of parliament, Waeta Ben, who disallowed the motion last Friday. Mr. Ben said that Mr. Mamaloni survived a motion of no confidence earlier this year, and ruled that the same motion could not be debated in one session of parliament.

Mr. Nori was acting on behalf of the man Mr. Mamaloni sacked as deputy premier, Danny Philip, who had been about to move the motion when the speaker disallowed it. Mr. Philip is deputy leader of the People's Alliance Party (PAP), which joined the opposition after Mr. Mamaloni quit the party on October 12 to avoid a challenge to his leadership.

Mr. Mamaloni dismissed five PAP ministers and formed a new cabinet including several former members of the opposition.

Mr. Nori told the court that parliamentary standing orders gave the speaker the power to rule on procedural matters only, and that he exceeded his authority in basing his decision on a point of the constitution.

The speaker's lawyer, Andrew Radcliffe, replied that the court had no powers to interfere with matters within parliament. He argued that the constitution allowed parliament to make rules governing its own procedures, and that the speaker's decision was final and could not be challenged inside or outside parliament. Chief Justice Gordon Ward said that he would deliver his judgement on Friday.